The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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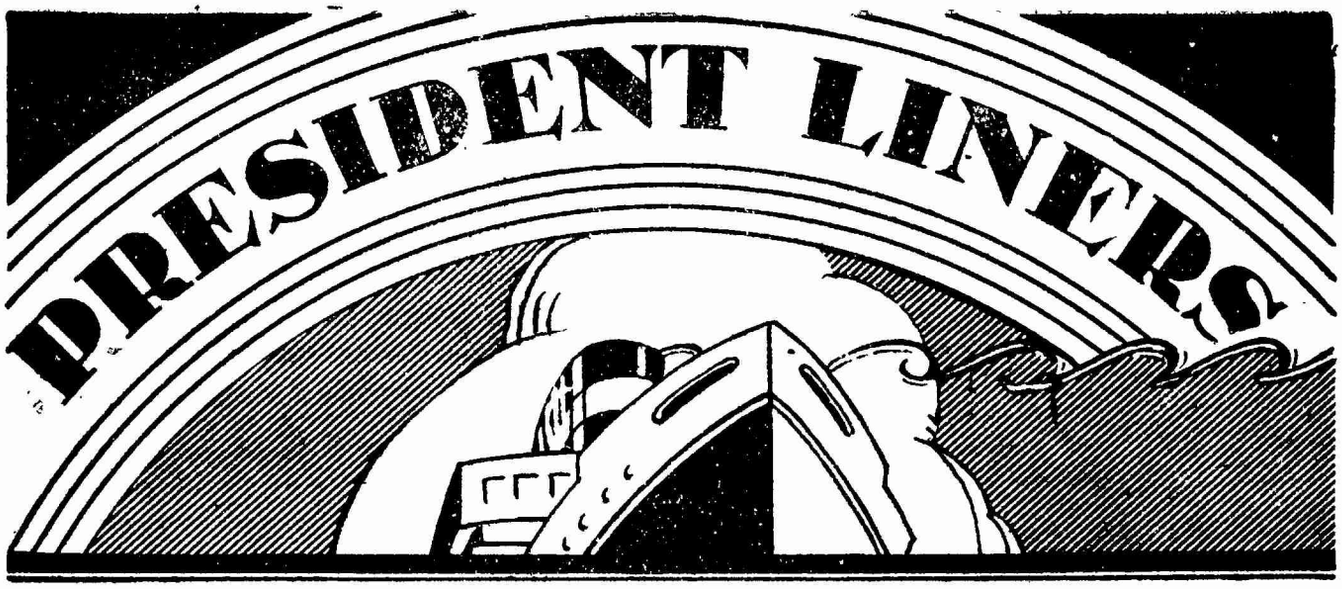

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Formerly Millard's Review

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WASHINGTON OFFICE
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Colorado Building, Washington, D. C.

CHINESE NEW YEAR ROLLS AROUND ONCE MORE

THIS issue of *The Review* comes right in the midst of the Chinese New Year season, and although officially the old lunar calendar has been abolished, the rank and file of the Chinese population continue to observe the Chinese New Year holidays as of yore. Among those who insist on observing the holidays according to the old custom are the printers in the establishment which prints this journal, and for this reason it has had to be printed somewhat ahead of schedule. The National Government several years ago had decreed that various penalties would be imposed on people who adhered to the old calendar, but this year little has been heard officially on the subject. However, as has been the case during the past several years, the Chinese Post Office and various other government institutions, faithfully keep open their doors throughout the Chinese holiday season, but as a matter of fact, owing to the general observance of the holiday by the public, neither the Post Office nor other government institutions have very little business to transact. The Chinese New Year is to the Chinese a sort of rolling into one of what to America would be a combination of Thanksgiving, Christmas and Independence Day, and it will be many years yet—government pronouncements to the contrary notwithstanding—before the old custom of observing it will be abandoned. Shanghai is practically suspending business on January 26, 27, 28 and 29, the latter being a Sunday, and during that period much feasting, gift-giving and fireworks displays are being indulged in.

After all is said and done the Chinese lunar calendar has much to recommend it. The first of the month always falls on a new moon and the fifteenth on a full moon. It is surprising how closely the old Chinese dates approximate realities, and in view of the fact that there has been a movement in Europe recently to adopt a thirteen-month year, the Chinese government authorities might be well advised not to be too precipitate in ordering the populace to turn from the lunar calendar in favor of the Gregorian, for fear that a few years later they might have to issue an order to change it back again!

The decree of the National Government ordering the populace to observe the Gregorian calendar instead of the time-honored lunar calen-

dar has been but one of several on similar lines aimed at modernizing the life of the people of this country, and in that laudable aim the National Government is to be commended by everybody, certainly by every Westerner. It is, however, open to question whether the Government would not have been better advised to have been somewhat less precipitate in taking upon itself the task of passing resolutions concerning the calendar, weights and measures, and many other similar matters affecting the daily life of the people — more honored in the breach than in observance — without first paving the way by a thorough system of education as to the advantage of the new systems. It is evident on every side that the great mass of people have not been obeying these decrees and just as all law has fallen into disrepute in the United States by the attempt to enforce an unpopular Prohibition law, so in China has the National government's authority been weakened by the attempt to enforce on a great mass of people changes affecting their daily life which they have not been sufficiently impressed with the reasons for. Even the Japanese Government with its highly organized Imperial system has not attempted to interfere with an old established custom in the Island Empire, namely the Cherry Blossom festival, which is based on the old lunar calendar, the same as Chinese New Year is.

⁂

This is a fitting place to record once more that the National Government has been a success far beyond anything that was dreamed of by any Westerner. The hostility of Western daily newspapers in Shanghai to the new Government at the time of its organization was undisguised, particularly that of the principal British journal, the *North China Daily News*. The general British feeling at the time was well exemplified by the fact that when the British troops arrived here in 1927 and the "Tommies" were asked privately what they were sent here for, they replied, "We want to get after some of these Nationalists." But they were never called on for that purpose; no occasion to. The Nationalist (since changed to National) Government has survived, and shows every prospect of surviving for many, many years to come. But it is a counsel of friendliness, in our opinion, to suggest that hereafter minor matters affecting the customs of the people should be dealt with by education and not by peremptory enactments, reserving the latter for more urgent and important matters—of which there are certainly enough at present to keep the Government personnel fully occupied.

N. Y. "Herald-Tribune" Scores Ignoble Motives in P. I. Independence Move

Hope was expressed by the New York *Herald Tribune* Jan. 18 that the Filipinos themselves would reject the independence bill as a rebuke to the "atrophied minds" in the United States Congress. This Republican newspaper among other things said: "For clouded vision, atrophied minds and ignoble motives, nothing in our history has equalled the performance of the Senate and the House in passing the measure to haul down the American flag. They ignored the honor of their country. They never thought about the trade of the United States. They cared nothing about the obligations to the Filipinos whom they disowned. Friends of the Philippines will await their decision in the hope that the arrogance of the present Congress may be properly rebuked."

ROOSEVELT REAFFIRMS STIMSON FAR EASTERN POLICY

IT would indeed be a regrettable state of affairs if the political leaders of the world in an effort to sidestep the internal difficulties that face the respective countries should, in this decade, make the same mistake that was made by the political leaders of the world two decades previously, namely that they should deflect the discontent within the country towards the people of other countries. That is a phase of the causes of the outbreak of the European War in 1914 which has never received the attention it should have. The result of the clever deflection by the political leaders of the various countries concerned of the discontent of their own people so as to make them hate the people of other countries was to bring about the greatest armed conflict that the world has ever experienced, the net result of which, although it brought about certain political changes, was to leave the economic situation —the most important point at issue—in a much worse state than it was before. The world changes rapidly and probably a very small percentage of the people today realize that in nearly every country involved in the outbreak of the war in 1914 there was seething discontent within the country, partly political and partly economic. Alfred Pearce Dennis in his very interesting volume entitled, "The Romance of World Trade," brings out a point in this connection almost amusing, but none the less of great importance as showing how the roots of war thrive in soil of an unexpected character. He relates that people down in Belgrade, the Serbian capital, will tell you with a slight touch of egotism, that the Great War originated in a local controversy over hogs. Serbia is the only country in Europe where Indian corn (maize) is the principal cereal crop and the acorns and beech-nuts in the vast forests of the country furnish excellent forage for hogs. The foundation of the fortunes of the Serbian royal house was laid in pig breeding. In 1906 at the instance of the Hungarian estate owners, the Austro-Hungarian government legislated Serbian hog products out of the country nor could Serbia ship her hog products across Austria-Hungary into Germany. All this produced acute irritation, for in the inevitable smuggling operations that ensued, shooting incidents between smugglers and border guards were of frequent occurrence, and in the end these led up to the murder of the Archduke Franz Ferdinand in the streets of Sarajevo. And that was the spark that set the grand fireworks off.

⁂

It is not stating anything new to mention that the two outstanding countries of the world that are facing the greatest economic crises of their history are the United States and Japan. In both countries the budgets have grown to enormous proportions, and the deficits which have to be faced call for taxation and borrowing on a stupendous and unprecedented scale. Japan in its present swashbuckling course has merely followed the European precedent when it tries to allay the discontent within by a display of military prowess beyond the country's borders. Japan in her Manchurian adventure was favored by world conditions, and she cleverly figured it out that neither the League nor the United States of

America, seeing that they were engrossed with weighty problems of their own, would interpose any active opposition to her onslaught on the territory of a neighbor, whose integrity she had bound herself to assist in maintaining.

Recent events have, however, indicated that there might be a point where the complacence of the United States, if not of other countries, might reach the end of its tether. The Japanese have, for instance, reckoned upon the hope, to them almost a certainty, that the incoming President, Franklin Delano Roosevelt, would devote himself entirely to internal matters, and would not follow the lead of a man who in Japanese eyes was a meddler of a most pugnacious sort, namely Colonel Henry L. Stimson, the present American Secretary of State, who has an advantage which most other American politicians do not possess in that he has had first-hand experience of Far Eastern conditions through his service as Governor General of the Philippines. It must, therefore, come as a shock to the Japanese to learn that the President-Elect has been in close conference with Col. Stimson and has made known that he intends to follow the same general Far Eastern policy that Colonel Stimson has, namely to refuse to recognize any change of territorial status in the Far East, which in this case means not to recognize Manchukuo. Indeed one of the telegrams from Washington mentioned that the new President's Far Eastern policy would be "progressive." In this connection Mr. Roosevelt said:

> **"Any statement relating to any particular foreign situation must, of course, come from the Secretary of State. I am, however, wholly willing to make it clear that American foreign policy must uphold the sanctity of international treaties. That is the corner-stone on which all relations between nations must rest."**

Other telegrams stated that with each reaffirmation of America's policy in regard to China and further transgression against America and their property in the Far East, such as the recent Singer incident in Yokohama, the raid on the Osaka branch of the National City Bank, and the incident some time back of the Japanese assault on the United States consul in Mukden, and others had caused increased tension between the two countries. American feeling has been further exacerbated by the reported indifference of the War Department in Tokyo to its alleged distribution of press items liable to fan anti-American feeling.

***

Nothing would be gained at this time by going into all the points which would build up a good case for a policy on the part of the United States of giving more than lip service to the various covenants which both the United States and Japan have subscribed to, but it will not be out of place to recall that undoubtedly the Japanese War party has succeeded in "buffaloing" the world in a most astounding fashion—way beyond its wildest dreams when it first launched its onslaught upon Mukden in the night of September 18, 1931. Then there were constant promises, under certain conditions, to withdraw the Japanese troops within the railway zone. Such a contingency has now been entirely lost sight of. But what should not be lost sight of is that at a certain stage of the operations in Manchuria in 1931 the Japanese Army for several days did actually start to withdraw inside the railway zone, by the Japanese Emperor's orders. The inside story of that episode has never been made known; the withdrawal lasted only for a few days, and then the Japanese War machine retraced its steps and has gone at it hammer and tongs ever since. It is more or less an open secret that the reason why the Emperor gave the orders for the Army to withdraw—on the advice of his Minister, of course—was that a rumor got about that America was at that time on the point of interfering by force. It is just possible that if such a report had been a reality instead of a rumor Manchuria might then and there have ceased to be the world problem that it has since become.

G. W. M.

THE OLD ORDER PASSETH---BUT MODERNITY WILL WIN THE DAY

A TYPICAL indication of how the old order passeth in China is once more to hand in advertisements at present appearing in the Shanghai daily newspapers. About two years ago three local old-established British drugstores ("chemists' shops" as they are known in the British vernacular), all of which were losing money, conceived the idea of merging the three establishments into one, in the hopes that concentration of management would improve the situation. Such hopes have, however, proved illusory and the combined concern is now offered for sale. Undoubtedly all three of these old established firms, judged by old time standards, were carefully conducted. Prescriptions were efficiently filled and a large stock of various kinds of articles usually found in drug store—in these days drug-stores have strayed far from their legitimate field—were there in considerable profusion. But these old concerns have not been able to stand up under modern competition—largely Chinese, but to a great extent Russian. The old clientele of these long-established British drugstores has gradually grown smaller and not sufficient new clients have been enlisted to pay the way. Probably also, if the truth is to be told, a large part of the business was conducted on a credit basis, and unfortunately in these days of economic stress, a large proportion of the customers eventually fail to pay up. These drugstores like many of the old-established concerns in other lines are being pushed to the wall not so much by the competition that they are meeting as by the evident inherent inability of the people who manage them to adjust themselves to the new order of things. Chinese competition can be met. The local Russian community, particularly in the French Concession, has demonstrated in a most emphatic way that the way to meet Chinese competition is to conduct your business in an efficient and attractive manner. There are not infrequent instances to be seen on Avenue Joffre in the French Concession where Russian shops actually push out Chinese shops—and many of the customers in the Russian shops are Chinese. Not only in the retail line, but in the realm of small manufacturing establishments, not only Russians, but Westerners of other nationalities, are making successes of concerns which compete directly with Chinese—overcoming the natural advantage that the latter have because of knowledge of the language and local conditions by superiority of technique and more efficient organization.

Count Uchida Talks Confidently---But Is the Foreign Office a Rubber Stamp?

NOTHING would be gained by commenting at great length on Count Uchida's recent speech in the Japanese Diet—a full report of which appears elsewhere in this issue of *The Review*—nor in reporting at length the most recent proceedings of the League at Geneva, as neither of the two matters elicited a single point concerning the Japanese point of view which has not been insisted upon and reiterated by Japan's statesmen over and over again. Boiled down to its essence Japan simply says to the rest of the world that the future of Manchuria is a matter which concerns only themselves and China; no outside party will be allowed to have a say in the matter, and if the rest of the world doesn't like this independent Japanese attitude, it so far as Japan is concerned, can lump it. Japan continues to insist on direct negotiations with China concerning the issues outstanding between the two countries and China with equal firmness insists that she will under no circumstances do so and in the meantime the delegates at Geneva and the military commanders in North China—on both sides — are preparing for the contests which must inevitably arise as a result of two such radically divergent points of view.

Count Uchida's remarks were on the whole devoid of pyrotechnics, and breathed the confidence of a people who feel sure of themselves. There was the usual platitude about Japan having no territorial designs and about Japan having no intention of picking a quarrel—this despite the fact that Japan is doing those very things. There was a "warning" to China regarding political confusion and the anti-Japanese movement, as a result of which there might be "unfortunate eventualities," concerning which the Chinese were "invited to think seriously before proceeding further;"—and more in a similar vein.

***

Despite Count Uchida's air of cocksureness, there was, however, a rift in the lute. At the session of the Diet on the afternoon of January 23, Hitoshi Ashida, spokesman of the Seiyukai Party, put forward some very blunt questions on various diplomatic subjects and demanded categorical replies from both the Foreign Minister, Count Uchida, and the War Minister, General Araki, as to whether Japan had a definite foreign policy, or whether the Foreign Office is simply following the dictation of the Army. Mr. Ashida asserted that Japan was being dragged blindly into an uncharted, pitch-black abyss, not knowing in what direction she was being guided. Accusing the Foreign Office of being little more than a rubber stamp for the War Office, Mr. Ashida asserted that the Army holds a virtual monopoly of all important posts in Manchuria and "although uniformity and co-ordination of Japan's Manchurian policy is the main *raison d'etre* for the existence of the present National Cabinet, the impression had become imbedded in the public mind that responsibility for leading Manchuria is being shouldered exclusively by the army."

Other points on which Mr. Ashida took the Government to task included:—

1. Japan's "unnecessarily irascible, acrimonious attitude at Geneva and her quibbling over trifles there.
2. Her lack of a fundamental policy towards both the League and Manchuria.
3. Japan's failure to take any concrete steps to establish friendship and co-operation between Japan, China and Manchukuo, in spite of Count Uchida's emphasis upon the importance of this step.

Laying stress on the necessity of improving the relations of Japan with both America and the Soviets, Mr. Ashida concluded by declaring that it is disgraceful that a situation exists which persuades many to believe that the army is responsible for the country's diplomatic policy.

***

The proceedings at Geneva during the week reached the point at which it was evident they had to arrive—the same as has happened so often before—there would have to be another report drafted! This time it was a sub-committee of the Committee of Nineteen that was assigned the task of drafting the report. This drafting of a report serves the excellent purpose of delaying any action that would go to the point at issue. It is expected that the drafting of this report will take more than a week and as such a report for the present will only deal with the historical aspect and as it will be necessary to hold another meeting of the Committee of Nineteen at the end of this month to reach an agreement with regard to the recommendations that are to form the second portion of such a report, Japan's object of inveigling the League into still further delays has been admirably achieved. While the delegates squabble and split hairs concerning the wording of a report which in the end will mean nothing, the Japanese calmly go ahead and do as they please. The situation has been once more neatly put by the *Manchester Guardian*, the one lone champion among all the daily newspapers in England of the idea of facing the facts as they are. In an editorial Jan. 23, the *Guardian* said: "The weakness in statesmanship regarding Manchuria began with indecision and then passed into surrender to brute force, but the broad issue between right and wrong cannot be escaped. The League should now, with or without British support, begin by saying that Japan is wrong."

***

There has been a remarkable absence of active developments during the past week either in the Shanhaikwan area or in Manchuria. The most recent Japanese War Office statement is to the effect that no campaign in the direction of Jehol is contemplated just at the moment. The Japanese military authorities have thrown out the hint that when, and if, a campaign into Jehol becomes advisable, the easiest method of attaining success will be to swing round inside the Great Wall and enter Jehol from the South, though they say they have no intention of entering China Proper in this way if they can "possibly avoid it." The Japanese troops in North Manchuria are now spread out over an enormous area. They are in complete possession of the Chinese Eastern railway from the Soviet border on the West (Manchuli) to the Soviet border on the east (Pogranit-

chnaya), a distance of six or seven hundred miles, the line being held by two and-a-half numerically weak army divisions. According to *Reuter*, these are: Lieutenant-General Hirose's 10th Division, with headquarters at Harbin and responsible for the eastern section of the C.E.R. and the district northwards; Lieutenant-General Matsuki's 14th Division, based on Tsitsihar and responsible for the western section of the C.E.R. as far as the Khingans: and Major-General Hattori's 14th Brigade of the 7th Division, with headquarters at Hailar and responsible for the remainder of the western section of the C. E. R. to the Soviet border. Of the remaining two divisions, the 6th (Lieutenant-General Sakamoto's) is based on Kirin, while the 8th (Lieutenant-General Nishi's) has its headquarters at Chinchow and is therefore the most handy for operations in Jehol.

There are, in addition, the 1st and 4th Independent Cavalry Brigades, under Major-Generals Takanami and Mogi respectively. Both of these took part in the rapid advance on Manchuli in the opening days of December, and, as they seem to be used mainly in the nature of flying columns, with no fixed base, for rapid dispatch wherever required, it seems likely that, if operations in Jehol eventuate, a large share of the work will be accorded to one or both of these mounted units.

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Somewhat of an international sensation was caused on January 24 when the London *Daily Herald*, the militant British labor organ, published a front page story from its Geneva correspondent who alleged that Japan was building secret naval bases in the islands of the Pacific. The correspondent averred that the Japanese representatives flatly denied such allegations when cross-examined at secret sessions of the Mandates Commission, but added that they have not removed misgivings of what is happening in the Marianne and Pelew islands. He went on to say that the Japanese have admitted, under cross-examination, that they have spent over £100,000 on bases and that they are going to spend more. The Pelew islands were sold to Germany by Spain in 1899. In 1914, they were occupied by Australia, and the treaty of Versailles placed them under Japanese mandate. The Marianne islands, about 15 in number, were originally the property of Spain, but Guam, the largest, was ceded to America in 1898, the rest being sold to Germany in 1899. In 1914, they were occupied by the Australians, and they are now under Japanese mandate.

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Whether or not the *Daily Herald's* story is true, the fact is apparent on all sides that Japan is developing its naval armament on a stupendous scale. The Japanese Minister of the Navy admitted at the session of the Diet in Tokyo January 23 that the naval estimates of Yen 370,000,000 for the coming fiscal year include Yen 87,000,000, which amount represents the first instalment of the Navy Minister's so-called second naval replenishment program. The necessary appropriations for the complete program are set at Yen 460,000,000, spread over a period of four years. Under this program, it is stated, the Navy plans to construct two cruisers, each of 8,500 tons, an aircraft carrier of 8,000 tons, seven destroyers of 1,400 tons each, six submarines of different sizes, a minelayer of 5,000 tons, and an unspecified number of mine-sweepers and torpedo boats. These are all by way of being replacements for vessels that have already reached, or are soon to reach, the age limit, the total cost of construction being estimated at Yen 360,000,000. The balance of the Yen 460,000,000 is to be spent on the creation of five more naval air squadrons, a plan which, if carried out, will eventually give Japan a total of 36 such units. This so-called "second naval replenishment program" is said to have been drafted shortly after the conclusion of the London Naval Conference, at the same time that the present, or first, replenishment program was worked out. Originally, the Navy intended to seek the necessary sanction for it when presenting its estimates for the fiscal year 1934-35, but it now feels that recent developments in the international situation not only necessitate expediting the commencement of this prospective program of construction, but that they even require the completion of parts of the current program by an earlier date than originally intended.

As *Reuter's* correspondent points out, with the completion of the second naval program Japan will be able to boast of no fewer than 36 naval air squadrons, or more than double the number she had at the time of the London Naval Conference. The ever-increasing importance she places on the air arm in her scheme of national defence is thus shown very clearly, the contention of Japanese naval officers being that by no other means can their country make good the loss suffered in her powers of defence by the reduction and limitation of submarine tonnage, under the London Naval Treaty.

China's Reply on the Shanhaikwan Affair

Dr. Lo Wen-kan, Chinese Foreign Minister, on Jan. 22 addressed the following Note to Mr. Ariyoshi, Japanese Minister to China. The same note was cabled to Geneva with instructions to the Chinese delegates to communicate it to the League.

"With reference to your Note of January 11, 1933, concerning the Shanhaikwan affair, I have the honor to inform you in the interests of veracity that the Chinese Government has made another investigation of the circumstances surrounding it and has found them to be truly as follows:

"On the morning of January 1, 1933, Japanese gendarmerie forces were reported to be making warlike preparations and troop movements were observed on the Peiping-Liaoning Railway beyond Shanhaikwan.

"1 p.m. on that day explosions and rifle shots were heard beyond the south gate. They were found to have originated from Japanese soldiers themselves. Soon after, they began to fire on Chinese sentinels posted outside the south gate, whereupon the latter withdrew into the city.

"The Japanese soldiers then pressed in further and opened fire at the city gate. At this point the Chinese garrison sent a staff secretary, Mr. Chen, to the headquarters of the Japanese forces to inquire into the cause of the disturbances.

A False Charge

"Instead of giving a satisfactory reply, the Japanese actually charged the Chinese soldiers with responsibility for the trouble.

"On the night of the same day, Japanese soldiers advanced on to the south gate while Japanese armoured and troop trains stood by outside the railway station.

"At two o'clock the next morning the Japanese headquarters presented a set of unreasonable demands, of which immediate acceptance was required under the threat of an attack in case of non-compliance.

"The demands were rejected.

"Meanwhile Japanese soldiers had already placed Mr. Ma, Chief Police Officer of the Bureau of Public Safety, at the south gate, under detention.

At 10 a.m. the Japanese began a concerted attack with land, naval and air forces.

"In the afternoon of January 3, they occupied the city of Lingyu (Shanhaikwan).

"These are the facts of the case and there was no agreement so-called between the Chinese and Japanese troops.

Japanese Blamed

"On the basis of the facts as outlined above, it can readily be gathered that the initial explosions and rifle shots were undoubtedly of Japanese origin. It is also unquestionably clear that there is nothing whatever to justify or support the allegation that an agreement existed between the local Chinese garrison and the Japanese forces.

"It is to be noted that the city of Lingyu (Shanhaikwan) is not an open trade port and that in principle Japanese nationals have no right to reside there. Even granting that Japanese nationals, disregarding treaty provisions, have taken up residence in the city, the matter of protection should only be the concern of the local Chinese authorities. It is not for the Japanese military to usurp or interfere with the exercise of such rights.

"Moreover, by mis-using the so-called right of jurisdiction as a pretext to mass large numbers of troops for an attack on Chinese territory, Japan has equivocably placed herself beyond right and reason.

"In the short attack on and occupation of the city of Shanhaikwan, beginning with deliberate work of destruction by Japanese troops themselves, followed by false accusations of provocation on the part of Chinese soldiers in order to disguise the preconceived nature of their plan, they only revealed the customary Japanese tricks, which have become well known to the world.

Japan's Responsibility

"All responsibilities appertaining to this affair, therefore, should be borne entirely by the Japanese.

"With further reference to your note, under reply I have the honor to point out that the assertions made therein can hardly be admitted by the facts.

"Besides, the Japanese troops, since their occupation of Shanhaikwan have subsequently attacked the Chinese forces at Chiumenkow and Shihmentsai, thus threatening the safety and peace hitherto pervailing inside the Great Wall. They have, in addition, often paraded and carried on manoeuvres in densely populated sections in Peiping and elsewhere.

"All such action constitute a violation of the principles of international law and of the provisions of international treaties to which reference has been repeatedly made by the Chinsse Government.

"Even in regard to the engagements contained in the protocol signed by China and the Powers in 1901, Japan has spared no effort to disregard and violate them.

Protest and Requests

"In view of these circumstances the Chinese Government is constrained to take this opportunity to file a further protest.

"Finally, I have the honor to request Your Excellency to communicate to Your Government requesting immediate action in respect of the points contained in the list in the last part of my Note of January 4. 1933, namely the immediate withdrawal of the Japanese troops from the occupied areas at and near Shanhaikwan, the prevention of similar occurrences in the future and the punishment to those who started the trouble, and also in respect of the unlawful activities of Japanese soldiers stationed in Peiping and elsewhere, which Your Government should take steps to restrain."

General Araki Says Jehol Is Already a Part of Manchukuo

General Araki, Japanese War Minister, in a recent interview stated that he considers the Japanese military forces now in Manchuria sufficient and adequate to cope with the present situation. The authorities, he said, are not contemplating any dispatch of reinforcements to Manchuria unless some unexpected thing occurs. "Much talk is going on about Jehol. In this connection I might say that Jehol is, as already made known, part of Manchukuo, and the authorities are of the opinion that peace and order in that district can safely be maintained with the present Japanese strength in Manchuria. I believe the situation there will be adequately settled before it is aggravated," he added.

200,000 Chinese Troops Now in North China

The Chinese troops now in North China are estimated at nearly 200,000, including regular troops of General Chang Hsueh-liang's Shansi army and some of the Central Government troops. General Chang's troops hold the position near Shanhaikuan and south of the Great Wall along the Jehol border. Between Tangshan and Tientsin is General Pang Ping-hsun's army, while General Shang Chen's troops are in the Tientsin area. General Sung Tien-ying's units are stated between Tientsin and Paoting, it is reported.

According to Chinese information, the Chinese arsenal at Tangku, formerly a shipbuilding yard, is being operated day and night to produce light machine-guns and small arms. They are producing an average of 10 light machine-guns a day.

Japanese Control Barga

The entire Barga district is now completely under Japanese control, both civil and military, according to reliable foreign reports from Harbin. This state of affairs was apparently brought about with the acquiescence of the Mongol Princes in that area.

Peiping Honors Defender of Shanhaikwan

More than 2,000 people assembled at the Peiping-Liaoning Railway station in Peiping on the night of Jan. 19, to meet the train bearing the remains of the late Major An Te-hsing, the heroic battalion Commander who gave his life in defending Shanhaikwan city against the Japanese. A brief ceremony was held at the station by Tang Kuo-chen on behalf of General Chang Hsueh-liang. Mayor An will be buried at Paoting.

Maj-General Doihara Back in Tientsin Again

Major-General Doihara, who instigated the Tientsin uprising in November, 1931, arrived in that city again Jan. 19, and immediately went into conference with Major-General Sakagaki, former Chief-of-Staff to the Japanese Kwantung Garrison Headquarters. It is reported that they are plotting to stage further troubles at Peiping and Tientsin. Special attention is being paid by the Chinese authorities in the Tientsin neighborhood to their movements.

Japanese Erect Additional Fortifications at Shanhaikwan

The Chinese and Japanese troops exchanged gunfire for half an hour at the Shihmenchai front Jan. 20. At the Shih Ho (River) front, a detachment of Japanese cavalry attempted to penetrate the Chinese lines but were driven off by the defenders. One Japanese regiment which recently arrived at Shanhaikwan proceeded to the Shih Ho front Jan. 20. Two Japanese troop trains also reached the Shanhaikwan station while seven airplanes landed at the airdrome, outside of the east gate of Shanhaikwan, from Chinchow. Additional fortifications have been erected by the Japanese at Shanhaikwan.

Marshal Chang Expresses Determination to Fight Japanese

At a press reception held in Peiping, Jan. 30, Marshal General Chang Hsueh-liang reiterated his determination to fight, if the Japanese again attack. He hoped that the people in the north would guard themselves against being utilized by the Japanese as the Manchurian puppets have been utilized. He emphasized that as far as he is concerned, he is ready to stake his all to resist the Japanese. General Chang also intimated that measures have been formulated to defend Peiping against possible aerial bombardment by the Japanese. He said that it would require about $17 millions to carry out these measures into full effect.

In emphasizing his determination to resist, General Chang declared, however, that the entire forces of the nation must be mobilized to ensure the success of resistance.

Prominent English Journals Strongly Criticize Japan

An outspoken chorus of criticism of Japan appeared in prominent London weekly journals end of last week.

The *Week-End Review* declared that far from being impressed by Sir John Simon's supple casuistry, the Japan ese are laughing. On the other hand, the *Review* continued the Chinese, in justified despair over western standards and respect for treaties, are becoming dangerously resentful.

According to the *New Statesman* any hope or pretence that the Japanese might be conciliated, has died hard. It said that what the Japanese have got they keep. The Covenant and the Kellogg Pact, declares the *New Statesman*, are reduced to scraps of paper, the Lytton Commission becomes a farce, and the League of Nations means as much as a teddy bear to a burglar.

The *Spectator* asserted that all evidence points to the fact that Japan will not accept the rest of the resolution, particularly the part involving the non-recognition of Manchukuo, as this has always been an essential point. According to the *Spectator* it is highly significant that Mr. Roosevelt, America's president-elect, has chosen this moment to reaffirm the Stimson doctrine regarding non-iecognition situations brought about in breach of internaronal agreements.

Shanghai Foreign Municipality Retains "Russian Army"

In July last the Municipal Council of the Shanghai Foreign Municipality authorized the retention of an additional 73 men of the Russian Detachment for the remainder of 1932, subject to the financial position being reviewed at the end of the year and without committing itself to additional expenditure in 1933 and succeeding years on the maintenance of an increased strength of the Russian Detachment.

The matter was brought up for consideration by the Finance Committee on December 20, when members were informed that a decision was necessary as to the retention of the services of these men after the end of the year.

After discussion, members agreed that, despite the existing financial stringency it would be false economy to reduce expenditure by dispensing with the services of these 73 men, and it was unanimously recommended that they be retained on a permanent basis. The Council adopted this recommendation at its meeting on Jaunary 18.

Earthquake in Kansu Causes Ten Million Dollars Loss

Recent dispatches from Chinese sources in Kansu tell of considerable damage done by the recent earthquake in that province. The shocks were very severe at Chiuchuan, Yumen, Pinghsin and Kaotai in north Kansu province, causing considerable loss of life and much damage. Many houses collapsed completely. General Ma Chung-yin, the local military commander, has sent envoys to investigate the extent of the damage and to devise ways and means of helping the stricken inhabitants of those towns. The loss in North Kansu in estimated roughly at $10,000,000.

"Dutch East Indies" Become "Netherlands India"

The Netherlands Throne has made the official announcement that the kingdom's possessions in the Far East will henceforth be known as "Netherlandsch Indie," of which the preferred English form is "Netherlands India." Heretofore these Dutch lands in the Orient have been called Netherlands East Indies or Dutch East Indies. Also, the former "Outer Possessions" beyond Java now assume the less imperial title "Outer Islands."

Uchida Would Better Have Been Silent on Chinese Internal Conditions

(Editorial in the "Shanghai Evening Post," Jan. 21, 1933)

Count Uchida's long-awaited speech before the Imperial Diet does not appear, at first inspection, to be challenging or sensational although its tone toward China will awaken no sentiment of pleasure among the Chinese. Examined in detail and separately from the events of which it is an integral part, the speech might give definite ground for Chinese resentment which we believe will hardly be forthcoming if it is considered in the light of the whole situation. No Foreign Minister could well avoid the existence of the Jehol situation, nor could he sidestep Japan's involvements as set forth in the Manchukuo-Japan protocol; all things considered, the Uchida speech seems to have kept sword-rattling to a minimum.

Comment upon China's internal affairs and expression of anxiety over possible spread of the "red menace" in the Yangtsze valley and South China might well have been dispensed with, everything considered. A similar solicitude over Japan's internal developments (which in some aspects are no less menacing, and probably more so) would, if expressed by the Foreign Minister of another country in an official speech before Diet or Parliament, awaken Tokyo's fiercest resentment.

Dr. Lo Wen-kan Says There Can Be No Conciliation

Commenting on Count Uchida's speech, Dr. Lo Wen-kan, Minister for Foreign affairs, declared in an interview at Nanking Jan. 22 that so far as the speech dealt with Japan's Manchurian adventure it gave another conclusive proof that Japan was yet far from having awakened from her dream of military conquest and territorial aggrandizement.

Several months had elapsed, Dr. Lo pointed out, since Count Uchida made his first important speech on the Far Eastern situation last August, but apparently there was an abatement in the Japanese Foreign Minister's open defiance of the authority of the League of Nations, of the sanctity of international agreements, and of the validity of all ordinary principles of international law. Count Uchida again dwelt upon the theme of Manchukuo, attempting not only to justify its existence but to demonstrate the possibility of its further expansion. He even openly declared Japan's determination to invade Jehol.

Minister Lo considered that there was no need to waste any more words on Japan's preposterous arguments, for they had been answered very conclusively not only by the Chinese government but by the Lytton Commission as well.

"So far as China is concerned," the Chinese Foreign Minister concluded, "her position is very clear: Manchukuo, created and maintained by Japan, must go, and China must re-assert her sovereign power over the Three Eastern Provinces. There can be no conciliation, nor reconciliation, nor any prospect of settlement until and unless Japan's puppet regime is declared illegal and discontinued."

President-Elect Roosevelt Will Adopt Strong Far Eastern Policy

Recent advices from the United States indicate there will be an unbroken progression of all the present major foreign policies of the United States except that pertaining to war debts, when President-elect Franklin D. Roosevelt takes office. A prominent Democratic leader in Washington was quoted as saying that the Roosevelt policies on disarmament, the Far East World economics and the relations between the United States and the League of Nations will be the same as those now in force. It was emphasized however that there would be a "progression" of those policies. Mr. Roosevelt will insist that the 5-5-3 naval ratio between Great Britain, the United States and Japan be maintained until a better arrangement can be made, the *United Press* was told. The new President will urge the strongest possible navy within the limits of reasonable and practical economy. He will permit no weakening of the National defense and will favor the United States building to the limits of the existing treaties, meanwhile working for genuine disarmament.

British Boxer Funds to Complete Canton-Hankow Railway

Details of the grant of a £1,200,000 loan to the Ministry of Railways to complete the construction of the Canton-Hankow Railway by the Board of Trustees of the British Boxer Indemnity Funds were discussed at the offices of the Ministry of Finance, in Shanghai Jan. 23 by the Finance Sub-Committee of the Board.

Long-Distance Telephone Lines Opened in Hupeh Province

The important long-distance telephone lines in eastern Hupeh, linking Wuchang with Yingshan, across the Anhwei border, and Hankow with Tean, respectively, were opened to traffic Jan. 18, upon their completion last week. The combined length of the two lines totals over 200 miles.

Government Organizations Owe Huge Sum to Telegraph Administration

In view of the fact that government organizations throughout China owe the Chinese Telegraph Administration no less a sum than $15,000,000 for unpaid toll charges, the Ministry of Communications has petitioned the Executive Yuan and the National Military Council, requesting them to order all civil and military bodies to follow the present regulations concerning payment for official telegrams.

Ministry of Industry Hands Over Anhwei Cattle Ranch to Private Interests

The cattle ranch in Anhwei hitherto conducted by the Ministry of Industry, will be leased to private interests on liberal terms, it is learnt. During its 20 years of existence, the ranch has made little progress owing to insufficient financial support. The change in control is expected to place the farm on a better footing and at the same time encourage the development of private industrial enterprise.

Japanese Invasion Causes Loss to Chinese Post Office

As a result of the Japanese invasion in Manchuria and other ports of China, a total loss of about two million dollars was suffered by the Chinese Postal Administration for the past fiscal year.

Regarding mail communication between Manchuria and China proper, it is announced that most Manchurian mails destined for China proper have been transmitted through Dairen. As provision is made in the Sino-Japanese postal agreement for the exchange of mail matter between Shanghai and Dairen, the Chinese Postal Authorities can not refuse to handle mails from Manchuria transmitted through Dairen, though mails bearing the stamps of "Manchukuo" are treated as unpaid postal matter.

University Courses May be Shortened

A proposal to shorten the period of a university course from four to three years is being considered by ranking officials of the Ministry of Education. Dr. Chu Chia-hua, Acting Minister of Education, is also soliciting the opinions of various circles regarding this measure. This proposal, which was recently advocated in Canton by Tsou Lu, Chairman of the Southwestern Educational Reform Committee, calls for the division of each academic year into four quarters instead of two semesters, and doing away with the prolonged summer vacations. Thus it will be possible to complete a full university course in three years instead of four.

Members of Constitution Drafting Committee Appointed

Members of the Constitution Drafting Committee of the Legislative Yuan were formally appointed by President Sun Fo at the first regular meeting of the new Yuan held in Nanking, January 20.

President Sun serves concurrently as chairman of the committee; Chang Chi-pen and Dr. John C. H. Wu being appointed Vice-Chairmen of the committee. The committee consists of a total of 36 members, including such prominent jurists as Huang Yu-chang, Chiao I-tang, Feng Tzu-yu, Lo Ting, Fu Ping-chang and Chen Chao-ying.

Japanese Exports to China, Figured in Depreciated Yen, Show Increase

Japan's exports to Manchukuo, the Kwantung Leased Territory, China proper and Hongkong for the month of December 1932 amounted to 34,024,000 yen, and imports to 29,036,000 yen, making a total of 63,060,000 yen, and balancing in Japan's favor of 4,988,000 yen in exports over the year before and of imports by 45 percent or 8,964,000 yen. The volume of exports for the twelve months ending December aggregated 294,055,000 yen, showing an appreciation of 14 percent, in comparison with the previous year, and imports totalled 206,442,000 yen which indicate a shrinkage of 12.7 percent compared with the preceding year.

Approximate figures for exports and imports during December follow:

(In yen 1.000)	Exports	Imports
Manchukuo	5,100	12,085
Kwantung	15,102	3,794
China proper	11,279	12,943
Manchuria and Mongolia	—	—
North China	6,068	6,140
Central China	5,184	5,922
South China	27	881
Hongkong	2,543	214
Total	34,024	29,036
Excess of exports	4,988	

Approximate figures for exports and imports during 1932 follow:

(In yen 1,000)	Exports	Imports
Manchukuo	14,248	25,999
Hongkong	120,584	76,720
China proper	141,178	102,746
Manchuria and Mongolia	11,699	25,571
North China	75,516	38.833
Central China	53,666	32,669
South China	397	5,673
Hongkong	18,045	977
Total	294,055	206,442
Excess of exports	87,613	

Shanghai Merchant "Warns" Marshal Wu Pei-fu

Marshal Wu Pei-fu, former military dictator of North China and now living in retirement in Peiping, has received a telegram from Mo Hsiang-yao, a prominent Chinese merchant in Shanghai, urging him not to be "misled" by Japanese agents.

Mr. Mo says that during the last few days rumors have been in circulation that Japanese agents are busy working among retired military leaders and officials in Peiping and Tientsin, advocating co-operation between the peoples of Japan and China as a means of overthrowing militarism. Mr. Mo declares that this is a mere cloak for the Japanese scheme for the conquest of China and that if Marshal Wu Pei-fu should give heed to this line of argument he will unwittingly play into their hands. Expressing his confidence that Marshal Wu Pei-fu is enlightened enough to see through this "treacherous scheme," Mr. Mo concludes by urging the former Chihli military leader to deny interviews to Japanese agents and to call upon his former troops and officers to join in the present campaign of resistance against the Japanese.

Shantung Railway Prospers---Japanese Say There Is No Boycott

The total receipts of the Shantung Railway during last year were $15,340,000 showing a profit of $450,000—the highest record since 1918. A Japanese message from Trentsin says business is extremely brisk, especially as there are no restrictions placed on sales and purchases of Japanese goods throughout the province, nor are there any movements of an anti-Japanese nature. Merchants in Shanghai and other cities have established branches in Shantung and are dealing openly in Japanese goods, the Japanese state, apparently with great glee.

Egypt Must Pay in Gold, Cairo Court Holds

A decision, which it is stated, will cost Egypt about £1,500,000 annually in extra interest was given at a mixed court in Cairo Jan. 22, presided over by British, Italian and Egyptian judges, who decided that, notwithstanding Great Britain's departure from the gold standard, the Egyptian Government must pay the coupons of the Egyptian public debt in gold.

"The Anglo-French-Japanese Secret Understandings?"

BY C. Y. W. MENG (孟長沩)

Secret diplomacy, formation of defensive alliance, cordial entente, struggle for concessions, dismemberment of the weak countries, etc., were the orders of the day at the beginning of this century—which at last were crystallized in an unprecedented catastrophe—the World War in 1914-18. Though almost 20 years have passed, and many international agreements have been signed to guarantee world peace, yet, sad to relate, the world has made no improvement during this period. Not only this, but we are now returning to the old order of things! All the catastrophes and destruction which were brought about by the four years' continuous warfare are now forgotten, and we are again on the field to fight each other and to bring another great catastrophe to humanity.

That the Japanese armed invasion and forcible occupation of the Chinese North-eastern provinces (Manchuria) has trampled under foot all international agreements and has destroyed completely the spirit which prevailed at the Washington Conference goes without saying, but both Great Britain and France can not altogether be exonerated from blame! Seeing that France, Russia and Germany were able to compel Japan in 1895 to return Liaotung Peninsula to China, when Japan, by virtue of her victory over China, was entitled to acquire territory from the conquered nation —Great Britain and France should be able at this time to call a halt to the Japanese march into Manchuria, or to effect the evacuation of the Japanese troops after they succeeded in occupying the Chinese territory, under circumstances when Japan was not entitled to have a single inch of territory in Manchuria. If the acquisition of Liaotung peninsula should be an occasion for envy, should the acquisition of Manchuria as big as France and Germany combined, rich in all natural resources—be permitted?

At present, neither Germany nor Russia is in a position to cope with the situation created by the Japanese occupation of Manchuria. America alone can do nothing if both Great Britain and France "ride on fence" and do not come to her assistance. Therefore, it behooves both Great Britain and France in a legal and moral sense to save the whole critical situation at the beginning; to stand for justice; to take some definite action to discourage the Islanders in their aggressive actions in China; to protect the world peace; to uphold the sanctity of international agreements; to maintain the prestige and usefulness of the League of Nations in co-operation with the small powers.

It may be argued that the domestic problems in Great Britain and France do not permit them to pay any attention to the Far Eastern situation. But such problems concerning the "balance of power in Far East" and the "world peace" should justify their immediate and close attention, no matter how busy they may be. So it is a question whether they are "willing" to do so or not, not a question of "time."

It is still fresh in our minds that at the outset of the Sino-Japanese crisis, when Washington asked London to present a "unanimous note" to Tokyo. London turned a deaf ear. Later on, London made it clear that the British policy is to be "friendly to both." (China and Japan.—Quoted from Simon's speech). So the Sino-Japanese crisis was allowed to be developed because: (1) Great Britain refused to co-operate with America to put an end to the crisis at the outset of the trouble, and (2) there was no desire on the part of Great Britain and France to have the Japanese military activities cease in China, as evidenced by their action in Geneva. The situation has become more serious since the League's Assembly, when both Great Britain and France showed great inclination and partiality towards the Japanese, in disregard to the wishes of the small powers, which culminated in Simon's open "pro-Japanese" speech and dismissal of one delegate of a small power owing to his open denunciation of Japanese militarism in the Assembly meeting and changes of the delegates of some other small powers to the League's Assembly.

There must be an "inside story" in the relationship between Great Britain, France and Japan, otherwise, it is not possible for the students of current events to understand why the acquisition of Liaotung Peninsula by Japan was bitterly opposed while there has not been the slightest sign of opposition from Great Britain and France to the acquisition of Manchuria by Japan?

On one occasion, the report had it that Japan had formally approached France for an alliance. On an other, the report had it that there was much talk in Tokyo to revise the Anglo-Japanese Alliance. Recently, a report from Washington told us that Great Britain and France secretly consented not to interfere in the Manchurian situation at the time of Japanese withdrawal from Shanghai etc. Now we know why the Japanese troops were withdrawn within a month after signing the agreement, though according to stipulation, six months were given for such a withdrawal! These troops were at once sent to Manchuria to carry on with their aggression. Do not these reports explain the "inside story" of the relationship between Great Britain, France and Japan?

Franco-Japanese Relations—The Agreement of 1907

In this connection, it is interesting to recall the Agreement concluded between France and Japan on June 10, 1907. It is said that the Agreement provided that both France and Japan promised to respect the independence and integrity of China and to mutually help each other to maintain peace and order in their respective territories and colonies in the Asiatic Continent. But Mon. Gerard in his book entitled "Ma Mission au Japon" made it very clear that when the exchange of ratifications of the above Agreement was to take place the Japanese Foreign Minister expressed his view to the French Foreign Minister that it would be of great benefit to both to "define" their respective "spheres of interest and influence in China" to which the French Foreign Minister agreed. It was further said that in the Exchange Notes of the ratifications, it was provided that Kwangtung, Kwangsi and Yunnan would be considered to be under the French sphere of interest and influence, and Mongolia was also definitely recognized. Gerard was the then French Minister to Tokyo, so what he said was certainly authoritative.

But what interests us is that in the recent parliamentary meeting in Paris, the question whether the Franco-Japanese Agreement of 1907 was still in existence or was it considered to have been abolished by the Washington Conference, was brought up for discussion. Mon. Bancour, the Premier, was quoted to have advised the meeting to discuss this question after the League's discussion. Up to now, the French Government has not yet made it clear whether such Agreement is still in existence or has been abolished! Why?

From the legal aspect of the issue, there should be no question that such an Agreement is already out of existence long ago, when taking into consideration Article 10 of the League's Covenant and the Washington Agreement to "respect China's territorial and administrative integrity etc." But the fact that Premier Bancour had not the courage to answer frankly that "No such agreement exists," coupled with the fact that the French Government did not make its stand clear to the world and other signatory powers to the Washington Conference, gives rise to the presumption that such Agreement has not yet gone out of existence. If such Agreement, much to do with China, is not out of existence and is still being discussed, it certainly causes much concern to the Chinese, especially at the present time when Japan is anxious to find whatever old treaty it can from the archives to revise the understanding or alliance with said Power basing on the "old treaty provisions"!

Sino-Russian Assumption of Diplomatic Relations—The Anglo-Japanese Understandings

As was pointed out in the preceding paragraphs, the British attitude toward the Japanese military activities in China is one of "non-interference." With the Sino-Russian assumption of diplomatic relations, it only hastens and solidifies the Anglo-Japanese understanding, leading, possibly to the revision of the Anglo-Japanese Alliance of 1902. According to the Chinese report that China's sudden assumption of diplomatic relations with Russia was due to the fact that the Chinese delegates in Geneva discovered that the British had now openly adopted a pro-Japanese attitude, and the Chinese delegates were convinced that Great Britain had gone to the side of Japan, so they proposed to Nan-

king that China's diplomatic relations with Russia be resumed, as a "counter-measure." At first, negotiations were going on between China and Russia on the assumption of normal relations, but no material progress had been made, largely due to the fact that Nanking was waiting for Washington's move in the direction of Russo-American resumption of diplomatic relations. But in the last Assembly of the League of Nations when the British delegate made it very clear that the British attitude towards the present Manchurian situation is essentially "pro-Japanese," Nanking decided to resume diplomatic relations with Russia.

But this does not mean the defeat of Japanese diplomacy, for an understanding between Great Britain and Japan had already been reached in the event of the Sino-Russian assumption of diplomatic relations. According to the report, the mutual understanding consists of the following points:—

(1) Great Britain would not interfere with Japanese activities in Manchuria.

(2) Japan would respect British interests in the Yangtse Valley.

(3) Great Britain promises to give Japan some diplomatic help.

(4) Japan will do its best to protect British prestige and interests in the Far East.

(5) Japan promises not to conclude a non-aggression pact with Russia.

Needless to point out, both Great Britain and Japan feel a great uneasiness upon the resumption of diplomatic relations between China and Russia. Undoubtedly, the British remember well that it was largely Russian influence and help that brought about a situation which caused the British to return their concession in Hankow to China in 1927. The British could not but feel greatly concerned when China again opens relations with Russia, fearing that the Russian influence would now again become dominant; her trade relations with China would be developed far more rapidly than Sino-Anglo trade relations; and lastly, the traditional fear that the Northern Bear would once more descend to devour British India through Chinese Turkestan was revived!

Mohammedan Revolt in Sinkiang

Coincident with all these reports, there is another report which should not escape our attention. That is, according to a report from Moscow circulated by the *Tass* News agency, a Modammedan revolt took place in Sinkiang (Chinese Turkestan). The revolters are all "well armed." They are marching to the north of the province to join with the Outer Mongolians, and the Mohammedans in India and Tibet have also responded to the revolt. According to the opinion of the *Tass* Agency, the Mohammedan revolt must have been "started at the instigation of certain imperialists" who are utilizing the present situation to instigate a revolt in Sinkiang to form the "Chinese Mohammedan Independence Country," as a "buffer state" between China and Russia, somewhat along the same line as "Manchukuo" in Manchuria. The report went on to say that the British have been very active in Sinkiang and the report further alleged that the present revolt was helped by a "certain British ex-military officer" giving his name and biographical sketch in detail.

Being thus afraid of the Sino-Russian joint hands, it is not altogether improbable that both Great Britain and Japan would do whatever they could to prevent China and Russia from having direct communications, for the protection of British interests in India and of the Japanese "puppet" in Manchuria. At present, Manchuria is completely in the hands of Japan, so that Sino-Russian communication through the Chinese Eastern Railway is cut off. At present, the Japanese are planning to invade Jehol. As soon as the Japanese are in occupation of Jehol, another "state" would be created (The Japanese already made it known that it is to be called "The Republic of Ta Yuan"). Then Sino-Russian communications through Jehol, Charhar and Suiyuan would be cut off. Now the only way left open for Sino-Russian direct communications is in the West. But according to Japanese opinion, Japan could do nothing in this direction; it is a task for the British. From the geographic standpoint, cutting off the Sino-Russian communications in the North would only benefit Japan. But the cutting of Sino-Russian communications in the West would greatly benefit Great Britain. That explains the British "corresponding actions" in the West of China.

The British agitations in Tibet have failed to materialize, largely due to the fact that the Dalai Lama, now ruling Tibet, is not a man who could be utilized. The Mohammedans in Sinkiang, as we are told, who now have revolted against the Chinese, are all ignorant people and of bandit type. A word or two would be sufficient to instigate them to do anything the agitators would like. So the revolt should not be regarded purely as a local or tribal incident, but it is a situation which should be quickly and properly coped with by the National Government!

In the absence of official documentary evidence, it is not possible to speak with certainty of the existence of secret understandings among Great Britain, France and Japan; nor to say definitely that some of the powers, led by Japan, have now discarded the open door policy in China; or have now disregarded the spirit and letter of the Nine-Power Treaty; and have now embarked again in a struggle for the dismemberment of China. This article is written not for the purpose of arousing ill-feeling between the Chinese British and French, But what we want to emphasize is that sufficient world public opinion should be quickly "mobilized" to combat the world rampant militarism, in this time when there is a tendency of "returning to the old order," before it is too late.

Nanking, Jan. 23, 1933.

Yenching University Publishes First Newspaper Directory of China

Fulfilling a useful need for many years, the Department of Journalism of Yenching University at Peiping under the direction of Hing Wong and Professors Frank Martin and Vernon Nash has published a comprehensive directory of newspapers and periodicals in China together with a supplement of leading publications in the Far East, particularly those in Japan and the South Sea Islands. Important news agencies and press associations in China are also listed in the volume. The compilation of the book is largely based on the record of registered publications of the Chinese Post Office and by collections of publications printed in various places. While the book makes no claim to completion in its compilation, it seems to have included all the publications worth knowing and recorded in China and the Far East.

The contents of the book are arranged according to the provinces of China with Nanking and Shanghai in Kiangsu leading the list. Altogether, publications in twenty-eight provinces are recorded with the names of their editors or publishers and the places of publication. Foreign language papers and periodicals in China are listed in like manner under their original names. The listed publications are classified into dailies, weeklies, bi-weeklies, monthlies, bi-monthlies, fortnightlies and quarterlies.

The book will serve as a useful guide to publications in China and the Far East. The only complaint about it is several mis-prints. For instance, the *People's Tribune* in Shanghai is printed as *China Tribune* which name was once adopted but which never appeared. Further, in the list of agencies, the various foreign press services, such as *Reuters, United Press, Associated Press,* the *Tass Agency,* etc., which should have been included are not found in volume.

Alleged Visit of Marshal Chang Hsueh-liang to Nanking

The Japanese news agencies made much of an alleged visit to Nanking by Marshal Chang Hsueh-liang at the beginning of the week, concerning which the Chinese newspapers made no reference. The Japanese version is that a few days prior to his trip southward, the Young Marshal held a military conference to decide on measures to be taken against Japan, when he suddenly declared his intention to retire and to go abroad, saying that the "loss" of Jehol was inevitable. Officers present, especially Generals Wang Hsu-chang and Wu Hsueh-chung, remonstrated that such an action would cause great disorder in north China, and would be detrimental to the Young Marshal's honor. The Young Marshal thereupon re-considered the question and as a final step decided to make a trip to Nanking to obtain military funds from General Chiang Kai-shek. If this was refused, he could then be freed from the responsibility of failing to defend North China, thereby enabling him to retire with all the blame on Nanking.

Japanese Mob Wrecks Singer Sewing Machine Agency in Yokohama

Because they wished to show their disapproval of the terms they were held to in the purchase of sewing machines on the installment plan, a mob of about 200 Japanese wrecked the premises of the Singer Sewing Machine Co. in Yokohama Jan. 18 and did damage estimated at over one hundred thousand yen. The raid was carried out during the noon interval when some of the foreign employees were absent. Several loyal Japanese on the premises were injured. The police intervened, but only after most of the damage had been done. More than 100 arrests were made. The incident was considered of sufficient importance to have the U. S. Ambassador call on Count Uchida, Japanese Minister of Foreign Affairs, requesting an immediate investigation of the Singer raid and demanding adequate police protection for American life and property in the future. Count Uchida is stated to have complied with the request.

Despite the fact that earlier telegrams stated that the Japanese police would give special protection to the Singer premises, a later announcement was to the effect that the Japanese police would not give any more protection to this American firm than they did to Japanese firms in the ordinary course, but that instead they intended to arrange for compulsory arbitration of the dispute.

(Complete account of the Singer incident---from the "Japan Advertiser," Jan. 19)

More than 100 ruffian strikers, armed with knives and clubs, attacked and wrecked the Yokohama office of the Singer Sewing Machine Company yesterday afternoon, threatening the lives of both foreign and Japanese employees and causing thousands of yen loss through the destruction of furniture, fixtures and records. Several clerks were injured by fists and clubs of the invaders, and officials of the company, who managed to dodge the ruffians for a time, eventually were saved through delayed police interference. The attack was the culmination of a strike of months standing, in the course of which previous acts of violence have been resorted to by the strikers at Kobe and Osaka.

So serious did the situation become as a result of yesterday's outrage that the American Ambassador, Joseph C. Grew, it is understood, called personally upon Foreign Minister Uchida. It is reported that, following the conference, it was revealed and Mr. Grew pointed out that he had repeatedly asked the Foreign Office for adequate protection of the property and personnel of the Singer company, and that, in view of the seriousness of yesterday's incident, he had finally resorted to a personal call upon Count Uchida to request that steps be taken to assure this safety in the future. Count Uchida reportedly replied that he would investigate and make further arrangements with the police authorities.

The ruffians apparently timed their attack for the noon hour, when fewer employees would be on duty in the office. Led by several agitators of the All-Japan Masses Party, the strikers, nearly 200 strong according to some press accounts, moved through the streets unmolested and reached the Singer offices in Yamashita-cho shortly after 12 o'clock. They walked through the front entrance, striking down the doorman with their clubs and smashing the door and window panes.

Ruthless Destruction

Inside the ruffians resorted to ruthless destruction. They tore down the counter and destroyed the grillwork over it. They smashed typewriters, broke tables and chairs and even tore down electric light fixtures in their wantonness. Filing cases were yanked open and valuable records were carried out, later to be burned, torn into scraps or thrown into a nearby canal. Red ink and black ink were poured into account books and smeared over correspondence files which escaped actual destruction. The ruin of the offices was complete in a matter of moments.

An attempt to put up resistance brought nothing but bruises and lacerations to the defenders. About 60 employees, who refused to join in the strike, were about the premises, most of them having their noon hour rest in the basement, when the racketeers arrived. These ran to the main office and tried to put up a fight, but, out-numbered and unarmed even with clubs, they were no match for the ruffians.

The Kagacho police station is one block distant from the office, but no action being forthcoming from that quarter, the destroyers moved into the upper floors to complete their work of ruin.

The manager of the company, E. F. Walker, according to after accounts of the affair, locked himself in his private office and telephoned to the police and to the American Consulate in Yokohama. When the mob threatened to break into the office, he and Vilbert Parsons, it is understood, with a number of employees, took refuge on the roof of the building. They were pursued even there, but before the strikers could actually lay hands on them, a squad of police made a belated arrival.

Some time later the police took action in force and placed a line of guards about the entire neighborhood, stopping and questioning all suspicious looking persons they saw. Several dozen suspects were taken into custody and held for examination. The procurator's office of the Yokohama District Court sent two men to examine the scene of the attack and to question employees of the company.

One of the most serious losses in yesterday's outrage, it was reported, was the destruction of records applying to sales made through the Yokohama branch office. A large portion of the company's machines, it was pointed out, are sold in Japan on the installment plan. The records destroyed included many of such sales on which payments had not been completed. One rough and unofficial estimate of the loss placed it in the neighborhood of Yen 100,000.

The strike, with attendant violence by the strikers, has been dragging on for months, with the police reportedly showing little more than a half-hearted desire to interfere for protection of the company's personnel and property. Official complaints were made following attacks similar to yesterday's but on a less destructive scale, at the Kobe and Osaka offices, but reportedly with little effect.

According to one report, the strikers have been financing themselves by making illegal collections on machines sold by the company on the installment plan. Many of the strikers having been salesmen, they kept records of their sales and reputedly have been making the collections. Repeated complaints to the police are said to have had little effect, the authorities professing themselves unable to put a stop to the illegal collections.

The strikers in Yokohama had made several demonstrations previously, but of a minor character. The Yokohama office and other Singer offices throughout the country have been plastered by the malcontents with big placards, bearing such slogans as "Down With the American Dollar Companies," "Put All American Firms Out of Japan," and "Give the Singer Business to the Employees."

Later.—Prior to the attack and wrecking of the Singer Sewing Machine Company's office in Yokohama on Wednesday by a group of about 200 strikers led by radicals the police in Yokohama had information that trouble was brewing, according to an official of the company, but there was not a policeman at the building when the ruffians stormed the office during the noon hour, smashing furniture and fixtures, destroying records with heavy loss to the company, and attempting to commit violence upon the persons of company officials.

Overseas Chinese Want Representation in People's Assembly

Demand for the participation of overseas citizens in the National People's Assembly (*Kuo-Min-Tsan-Cheng-Hui*) are being made by the Central Overseas Affairs Committee at Nanking and efforts are already being directed toward this objective. According to the Committee, the Assembly being in general similar to the former Parliament, overseas citizens should be represented as they were in the past. The Overseas Citizens Administration Bureau of the Committee has been instructed to draft a petition for submission to the Government.

Count Uchida "Warns" China in Diet Speech

Count Yasuya Uchida, the Japanese Minister for Foreign Affairs, made a speech outlining the country's diplomatic policy in the Imperial Diet on the occasion of the reopening of the 64th session after the New Year recess, Jan. 21. The official English version of the text of the Foreign Minister's speech is as follows:—

I have the privilege now to report on the latest developments which have occurred in major foreign questions affecting this country since the extraordinary session of the Imperial Diet in August last and to state the views and policies of the Japanese Government concerning them.

In pursuance of this settled policy, the Japanese Government signed a protocol concurrently with the Manchukuo Government on September 15th last year. By this instrument Japan definitely recognized Manchukuo as an independent state while Manchukuo pledged to respect all rights and interests of Japan and her subjects in that country which are secured by treaty or through other agreements.

Defense Provisions

Moreover, in view of the fact that any menace to Manchukuo has at once direct bearing upon the welfare of Japan, provisions are also introduced for the joint defense of that state and for stationing in its territory of the Japanese troops necessary for that purpose.

The Protocol thus affords full protection to the rights and interests of Japan in Manchukuo and insures the safety of that country alike from internal as well as from external dangers. It means that a new effective guarantee has been established for the maintenance of peace in the Far East.

It is extremely gratifying that Manchukuo has made rapid healthy progress and especially that a marked improvement has been achieved in its internal peace and order consequent upon the successive annihilation or dispersal of major hordes of bandits. This situation naturally reacted favorably upon commerce and finances of Manchukuo and resultant benefits have been shared by the Japanese and other foreign residents equally with the Manchurians themselves. Here we have the concrete proof that the Japanese Government have not erred in their belief that to recognize the new state is the only way for the solution of the Manchurian issue on a sound basis and for the establishment of peace in the Far East.

Eventual Recognition

I am convinced that in view of the auspicious growth of Manchukuo and the universal advantage thereby accruing, all peoples of the world, the League of Nations and the governments of the Powers will eventually recognize the fairness and justice of the position we have taken regarding Manchukuo. Nor have I any doubt that in the end the Chinese themselves will be brought to regard mutual aid and co-operation between Japan, China and Manchukuo, each as an independent state, to be the best means insuring the peace in the Orient.

I may add at this point a few words regarding Jehol. Viewed historically, there is no room for doubt as to the fact that the Great Wall marks the boundary separating China from Manchuria and Mongolia. Particularly, in the light of the circumstances leading to the establishment of Manchukuo, it is evident that Jehol constitutes an integral part of the new state. However, maneuvers for creating disturbances in that province have of late been notoriously rife and some contingents of regular troops under Chang Hsueh-liang crossed the border into Jehol.

While the so-called Jehol is purely a domestic affair for Manchukuo, Japan is of course bound by the recent Protocol to join forces with that country in the task of maintaining peace and order throughout its territory. The question, therefore, in view of this treaty obligation is a matter of serious concern to the government of Japan.

China in Confusion

As for China, political confusion in that country continues as ever, while the anti-Japanese movement shows no sign of abatement. It was reported that during the plenary session of the Central Executive Committee of Kuomintang, convened at Nanking in December last, a proposal for positive campaign against Japan was submitted which called for military operations along North China frontier, support for volunteer armies of Northeast and anti-Japanese boycott. Information obtained from various sources since then leads us to believe that this proposal for positive anti-Japanese movement was actually adopted by the Kuomintang Congress.

As a matter of fact, the Chinese troops are of late in progress of concentration near the borders of Manchukuo and some of them have, as I have already stated, invaded the Province of Jehol.

The Japanese Government can not look upon such state of affairs in China without the gravest apprehension. We are compelled to warn the Government and people of China against the unfortunate eventualities that may arise from the situation and invite them to think seriously before proceeding further in that direction.

The Report of what has come to be called the Lytton Commission on Sino-Japanese Question was submitted to the Council of the League of Nations in October last and the Observations of the Japanese Government on the same Report were submitted in November to the same body.

Documents Published

Since these documents were both made public, their contents are already known to you all. Our Observations are simply elaboration from different angles of the fundamental view of the Japanese Government that the peace of the Far East can be secured only by recognizing Manchukuo and assisting it to achieve its healthy growth.

Our Government seized every occasion at the Council and Assembly of the League and in the course of negotiations with other Governments to expound this thesis of Observations with utmost care and thoroughness.

We will persist in our endeavors not only as regards the Special Committee of Nineteen, which resumed discussion on the Sino-Japanese dispute on January 16, but at various meetings of the League and at every possible opportunity until the above thesis is thoroughly elucidated and understood.

It is hardly necessary to say that the Japanese Government, which have always extended their hearty co-operation to the League and devoted their best efforts to the enhancement of its prestige, are ready now as ever to collaborate fully and in the friendliest manner with that body in its efforts to contribute to the peace and prosperity of the Far East.

However, the Japanese Government believe that as long as the League is concerned with questions relating to China, certain elasticity should be allowed in the operation of the Covenant in view of the exceptional and abnormal conditions of that country. In point of fact, various principles of international law and usage governing ordinary relationships between different states are in practice considerably modified when applied to China.

League No Exception

The Covenant of the League of Nations can not alone remain exception to that rule. Any attempt to apply the Covenant to the abnormal situation in China on analogy of apparently similar case or situation in European affairs is bound to fail. Such an attempt is vain and unrealistic. It will only complicate and aggravate the situation and injure needlessly the prestige of the League inflicting thereby a severe blow to the cause of universal peace.

For securing the permanent peace in the Orient co-operation and united efforts, I said before, of Japan, China and Manchukuo are essential. At the same time, harmony and collaboration between Japan, Manchukuo and the Union of Soviet Socialist Republics are equally important.

Fortunately, the U.S.S.R. Government has, ever since the beginning of the Manchurian incident, maintained an attitude so cautious that nothing unpleasant has occurred to mark their relations with Japan. This is a matter for congratulation for mutual relationship between Japan, Manchukuo and the Soviet Union.

There are those who fear whether recent restoration of diplomatic relations between the Soviet Union and China might not add vigor to the communist propaganda throughout the Orient. This is not the occasion for me

to pass judgment upon this sort of opinion. However, should red movement in the Yangtze Valley and South China, which has long suffered from the activities of communists and depredations of communist armies, gain in strength as the result of Sino-Russian rapprochement, that would be a serious menace to the peace in the Orient against which Japan must certainly be on guard.

Japan and Russia

I may take this opportunity to say something on the question of non-aggression pact between Japan and the Soviet Union. The principle of non-aggression pact between Japan and the Soviet Union is not only embodied in the Russo-Japanese Basic Treaty signed some years ago at Peking and provided for in the Anti-War Pact to which they are both signatories but has shown itself to be a living force, as has been fully demonstrated by the actual relations between the two countries during past years and especially during the trying period of recent date. Only when it comes to the matter of clothing this principle and this actual relationship in formal treaty of non-aggression, views vary as to the time and form. You know how varied opinion has been on the matter since last spring, when the proposal was first advanced by the Soviet Union.

In view of divergent opinions stoutly maintained in different quarters the Japanese Government concluded that time has not yet arrived for negotiating non-aggression pact super-imposed upon the treaties now in force. Our reply to that effect was sent to the U.S.S.R. Government toward the end of last year. That does not mean of course that we entertain the remotest intention of aggression in the Soviet Union but quite contrary and I am sure that our position is fully understood and appreciated by the Soviet Union.

The general disarmament conference since it first met at Geneva in February last year has continued its deliberations on various important questions covering land, sea and air forces.

Co-operation Policy

This is a conference of unprecedented magnitude, attended as it is by the representatives of practically all the nations of the world. Because of the natural solitude of each and every participating power for its own national defense and consequent complications and conflicts of varied interests which this entails, the conference as yet reached no general agreement.

The disarmament as an enterprise for peace, is not only one of principal missions of the League of Nations but it is the matter which is at present engaging the greatest attention on the part of the Powers.

It has always been the policy of the Japanese Government to accord a sincere co-operation and full contributions to the enterprise. It is in accordance with this policy that our Delegates now at Geneva are exerting their best efforts in collaboration with their Colleagues of other nationalities in order to bring the Conference to a successful conclusion and that our Government spontaneously submitted a proposal calculated to effect a drastic reduction in the naval armaments of the world.

Disarmament Plan

This proposal of ours covers among other items reduction in size of vessels of various classes, abolition of aircraft-carriers, reduction in number of capital ships and 'A' Class cruisers and reduction of total tonnage allotments of 'B' Class cruisers and destroyers, according to which, through the abolition of aircraft-carriers and the reduction in number of capital ships and 'A' Class cruisers alone, it is caclulated that a reduction amounting altogether to 1,360,000 tons will be realized in navies of Japan, Great Britain, the United States, France and Italy.

Our proposal is based upon principles of disarmament generally accepted at present Conference, particularly the principle that the power for attack should be reduced and the power for defense increased.

From same principle it logically follows that greater sacrifices should be made by superior naval power than by inferior one. If the two were both to reduce their navies in equal ratio, the sense of security on the part of the latter would be unduly and unjustly diminished.

I am confident that since our proposal takes into account as far as possible all the points insisted upon by the various powers concerned, a thorough examination will finally convince them of its practicability as well as of its equity and reasonableness.

Hight Lights in Count Uchida's Speech

"Should the red movement in the Yangtsze valley and South China . . . gain in strength as the result of Sino-Russian rapprochement, that would be a serious menace to the peace in the Orient."

"We are compelled to warn the Government and people of China against the unfortunate eventualities that may arise . . . and invite them to think seriously before proceeding further."

"Political confusion (in China) continues as ever, while anti-Japanese movement shows no sign of abatement."

"Japan entertains no territorial designs anywhere in the globe; she has no intention to pick a quarrel with any country."

"Any plan for erecting an edifice of peace in the Far East should be based upon recognition that the constructive force of Japan is the mainstay of tranquility in this part of the world."

"The fundamental principle of Japan's foreign policy is to secure the peace of the Orient and, as corollary, that of the world."

"In the light of realities of the international situation, it is essential in order to obtain true peace that while accepting the universality of various principles subserving the cause of peace, due and proper elasticity corresponding to the exigencies of actual conditions should be allowed in their proper application."

"Our (disarmament) proposal is based . . , particularly (on) the principle that the power for defense is increased."

"It is to be greatly regretted that as the result of (a) policy of closed door which is now practiced everywhere in trade and industry, the universally cherished principle of the freedom of trade has been entirely reversed."

"Only when it comes to the matter of clothing this principle (of Soviet-Japanese non-aggression) and this actual relationship in formal treaty, views vary as to the time and form."

Economics Considered

To turn to the economic field throughout the world, in addition to obstructions to trade created by the suspension of gold standard system by more than 40 nations, collapse of price of silver and confusion existing in the exchange markets, we see that all countries are busily engaged in erecting artificial trade barriers by raising custom tariffs or by putting limitations on exports and imports.

It is to be greatly regretted that as the result of this policy of closed door which is now practised everywhere in trade and industry, the universally cherished principle of the freedom of trade has been entirely reversed. The principle of free exchange of goods between nations constitutes along with that of freedom of travel and residence very foundation of general progress and prosperity.

Whenever this cardinal principle ceases to operate smoothly there will be no means of realizing common well-being and prosperity of all the nations and no hope for the true progress and peace of mankind.

However, it is encouraging that the desire to conduct earnest investigations as to the best means of ridding the world of its economic ills is becoming more apparent everywhere. The Japanese Government is prepared to lend a willing hand in this kind of international undertaking.

For instance, the World Economic and Financial Conference, to be convoked in near future, is an expression of this universal aspiration and our Government, participating in the conference of preparatory committee, are proceeding in conjunction with other governments

with various kinds of preliminary studies. We will do all in our power to make that Conference a success.

Basic Ideas of Japan

Thus far, I have spoken on various aspects of foreign questions confronting Japan. I desire to conclude my address with a few words on basic ideas of the Japanese Government which underlie all that I stated above.

It is needless to say that the fundamental principle of Japan's foreign policy is to secure the peace of the Orient and, as corollary, that of the world.

Now, it is the view of the Japanese Government that in the light of realities of the international situation, it is essential in order to obtain true peace that while accepting the university of various principles subserving the cause of peace, due and proper elasticity corresponding to exigencies of actual conditions should be allowed in their practical application.

It is also imperative to respect those real forces which are actually rendering peace possible in the various parts of the world. The Covenant of the League of Nations very wisely provides that regional understandings shall be respected. In this sense, our Government believe any plan for erecting an edifice of peace in the Far East should be based upon recognition that the constructive force of Japan is the mainstay of tranquility in this part of the world.

No Quarrel Sought

Japan entertains no territorial designs anywhere in the globe; she has no intention to pick a quarrel with any country. She only desires to ensure her national existence by such means as will accord with the international justice and to work hand in hand with neighbor nations for the peace of Orient and of the world.

It is our resolve and our duty as a nation to see that she contributes her resources, her power and her prestige to that end. Such has been the underlying spirit of Japan's foreign policy ever since the first days of Meiji. Such is the spirit behind the action we have taken in regard to the Manchurian question, to Russo-Japanese relations and to the activities of the League of Nations in the Far East. Our recent proposal for naval disarmament has been inspired by the same idea.

It is the ardent hope of the Japanese Government that Japan, guided by this all-pervading spirit, may maintain the friendliest relations with all nations, promote both commercial and cultural intercourse and pursue the path leading to the realization of higher ideals of humanity.

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Premier Saito's Speech

(Extracts from the Speech of Premier Saito in the Japanese Diet, Jan. 21)

The fundamental diplomatic policy of the Japanese Government, as I had occasion to clarify in two previous extraordinary sessions of the Diet, lies in aiming at the establishment of permanent peace in the orient as well as in the world. The government and people of Japan are firmly convinced that the formal recognition of Manchukuo and the definite announcement of pledge to render a helping hand to the young state are the first step toward the realization of Japan's ideal.

As regards the country's finance, the amount of next year's budget reaches the unprecedented amount of Yen 2,200,000,000 in round figure, while for various economic and financial considerations the government had to fill the revenue deficits by the issuance of bonds amounting to Yen 800,000,000. As to maintaining financial equilibrium, the government is studying appropriate measures, the details of which the government would have occasion to explain in the course of the session.

The question of relief of small merchants and industrialists as well as the majority of farming and fishing population, who are in financial difficulty owing to general depression, is a very important issue. The Government, in the course of the two previous extraordinary sessions held last year, had asked an appropriation in the form of emergency budget for the carrying out of the three year plan for the relief of the small merchants and industrialists and the majority of destitute farming population. As to the question of adjusting the heavy burden of farmers' debts, the government is going to introduce a bill embodying some concrete measures for the lightening of farmers' debts.

The question of the low exchange rate of yen is also a serious problem to be faced by the government. As regards this question, the government is intending to introduce a bill for proper control of foreign exchange.

One of the important questions now confronting the nation is how to check the growth of "dangerous thoughts" of both right and left extremities. The government is determined to enforce the strictest possible control of radical thoughts of two extreme camps.

Other problems which await the immediate tackling by the government are the improvement of the living standard of farming population, the adequate provision for the smooth operation of demand and supply of rice and other cereals and the purification of politics through the accomplishment of election reform.

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The Financial Policy of Japan

In the House of Representatives at Tokyo Jan. 21, following Premier Saito and Foreign Minister Uchida, Korekiyo Takahashi, Minister for Finance, made a speech outlining the financial policy of the Japanese Empire.

At the outset, he gave a general survey of the new budget and explained the necessity of issuing government bonds to cover the huge deficits in the national revenue, caused by the decrease in taxes, the Manchurian Incident, the re-organisation of the Army, rehabilitation funds, and other emergency expenses.

Such a state of affairs, however, would not continue indefinitely, he predicted. The low interest policy of the present cabinet would be instrumental in curtailing a large proportion of the expenditure by enabling the low conversion of bonds.

Passing briefly on the lowering of interest on postal savings, the Finance Minister commented on the foreign exchange. The depreciation of the Japanese currency was due, he explained, not so much to the unfavorable balance in foreign trade as to the uneasiness in international politics caused by the Manchurian Question, and the apprehensions of a further inflation of the currency, in other words, matters of sentiment.

The disheartening circumstances as above, however, had its beneficial counterpart, in that export was stimulated and new markets discovered. Foreign trade recently has decidedly improved, said Mr. Takahashi.

On the other hand, a bill would be presented in the present session of the Diet for the control of exchange, so as to lessen the suffering of the people caused by the difference in exchange and the increase in value of foreign bonds.

Commenting on the inflation, the Finance Minister said that various measure are being devised by the Bank of Japan to eliminate abuses.

He stated his belief that the financial policies of the present Government would gradually bring beneficial effects on the economic conditions of the future. The purchasing power in the cities and provinces would greatly increase, and once normality was restored, a complete revision of taxation would be carried out, he said. He asserted that the urgent need at present is a temporary adjustment of the taxation system, which will pave the way for a fundamental revision in the future.

Concluding, he pleaded for a strong co-operation among government officials and civilians alike to exert their utmost to weather the storm, for better times are not far ahead.

Praise for Britain by U. S. Official

Wallace Murray, chief of the Division of Near Eastern Affairs of the Department of State, in an address in Washington Jan. 13, paid high tribute to the standards of international morality which are being maintained by most of the great nations of the world, especially Britain. The lesson of the independence of Iraq "should confound those cynical observers who scoffed when the idea (of a British mandate over Iraq) was launched. The cynics believed the concept of a mandate was just another way of expressing the familiar concept of a colony," he said. Britain's actions with regard to Iraq have greatly enhanced her reputation for justice and fair play and as a steadying force in world civilization, the speaker added.

China's National Debt and Its Security

BY B. Y. LEE (李炳郁)

THIS current year is the most critical and trying year in the financial history of China; internally she has had two civil wars, one in Shantung and another in Szechuen and externally she has been threatened with foreign invasion in north and south, and yet it is a wonder that since the beginning of 1932 the National Government has been able to cover its expenditures out of current revenues without resorting to either foreign or domestic loans. The Government has been able to balance its budget for the first time in 21 years, at a time of world economic depression and of threatened foreign invasion. The big items of the Government's incomes are from the receipts of customs revenue, salt revenue and consolidated taxes, which amount to about $600,000,000 a year in Chinese currency; the largest item of expenditures is for the army, which amounts to about $200,000,000. Out of the total receipts the government is obliged to pay its national bonds, about $200,000,000 for domestic loans and the rest, for foreign creditors. Should a budget like this continue to be enforced for a dozen years all the foreign and domestic loans will be entirely liquidated and China will be free of its national debt.

According to a report presented at the Third Plenary Session of the Kuomintang recently held at Nanking, by T. V. Soong, the Finance Minister, the government's finances are in a sound state and the future of the government's creditors is bright. And consequently we should be very optimistic in regard to China's credit. On the contrary, the public at large is still in doubt as to the security of the demestic bonds which are being sold at from 50 to 60% of their face value. If the present budget can be maintained for a period of years, of course the people will show a different attitude toward the government. Confidence of the people must be secured at any cost, but the government at the same time must not squander its revenues in civil wars or for personal satisfaction. The credit of a country like that of an individual, never remains the same at all times; rises or falls constantly, according to financial conditions of the debtor. Happily China's credit goes up in contrast with that of other countries, which goes down. Army expenditure, which is the largest item in China's burden, is sure to have a marked bearing on the budget situation during the next few years. When this item is reasonably reduced to the mimimum, a sounder financial situation will be realized.

Expenses Cut to the Bone

The menace of external aggression during the past year has compelled the government to carry on without borrowings. Expenses have been pared to the bone, salaries reduced, many superfluous departments in the government eliminated, and the government has undergone drastic retrenchment in order to meet the crisis. During the past few months since the withdrawal of the Japanese troops from the Shanghai area, national revenues have been increased through higher customs, and there has been restoration and improvement of the salt revenue administration. Besides the reduction of administration expenses to the absolute minimum and the increase of national revenues, the outstanding short-term loans of the government, with their rate from 8% to 9.6% per year were converted, during the Sino-Japanese hostilities in Shanghai last spring, into longer-term loans, bearing a flat rate of 6% per annum. By this process the government reduced its outlay on interest and amortization by nearly $100,000,000 yearly. During the past few months the value of Chinese government bonds has actually risen steadily, both on the market at home and abroad. A short time ago the *London Financial Times* advised all British holders of Japanese bonds to exchange them for Chinese securities. It is evident that confidence toward the Chinese government has increased considerably of late.

According to Mr. Soong's report, China should be congratulated for its feat in balancing the budget without resort to domestic or foreign loans. A happy augury for China's future is seen. To eliminate civil wars is a sure way to cut down China's financial burden. Compared with many other countries, China is far better off financially when its leaders co-operate and work for the welfare of the country, forgetting their selfish aims. China's natural resources are plentiful and its taxation is low; and its national debt per capita is rather insignificant. Many kinds of taxes, such as the income tax, the inheri-

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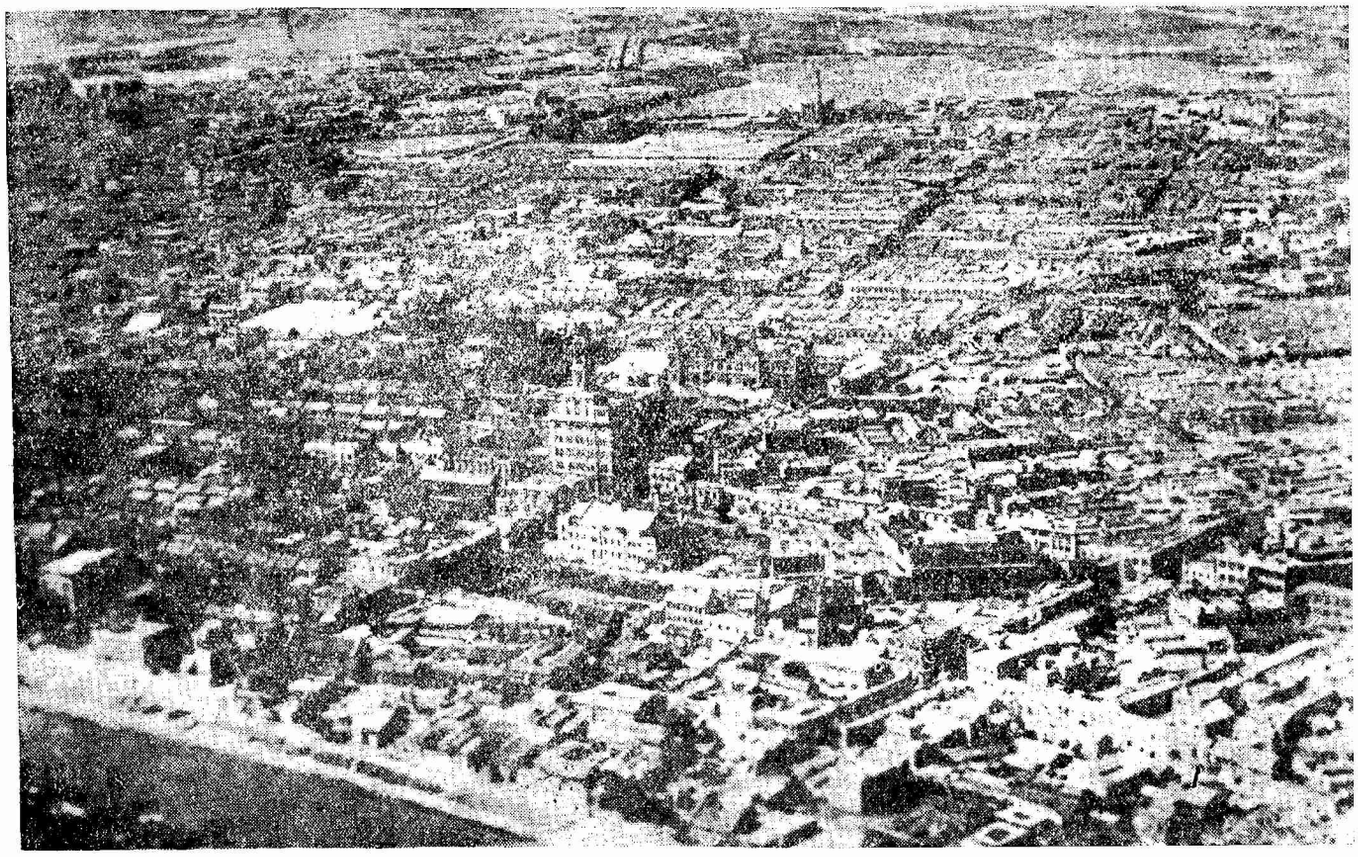
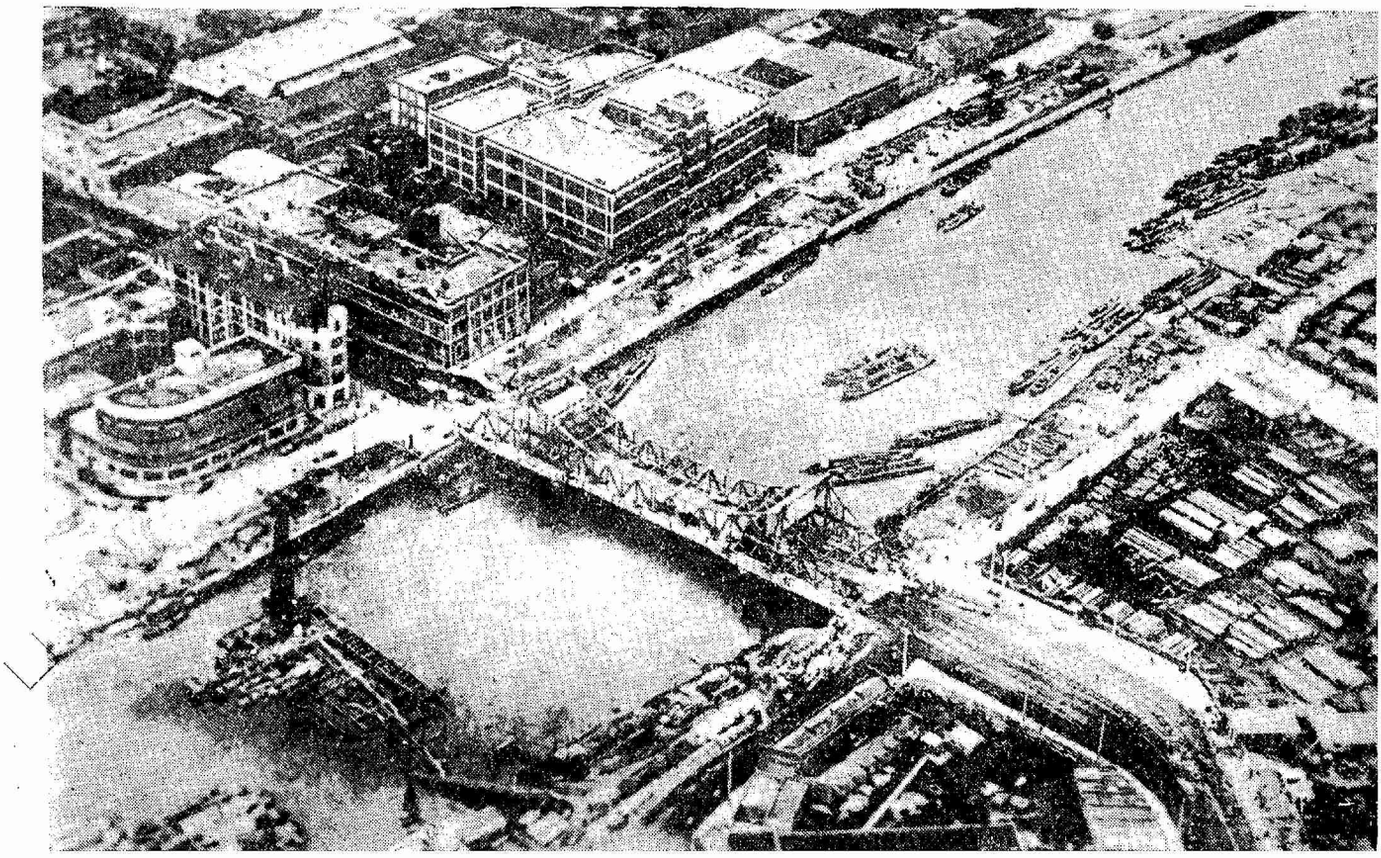


Business section of the Japanese Concession with adjoining Chinese areas at Tientsin.



Park in French Concession at Tientsin.

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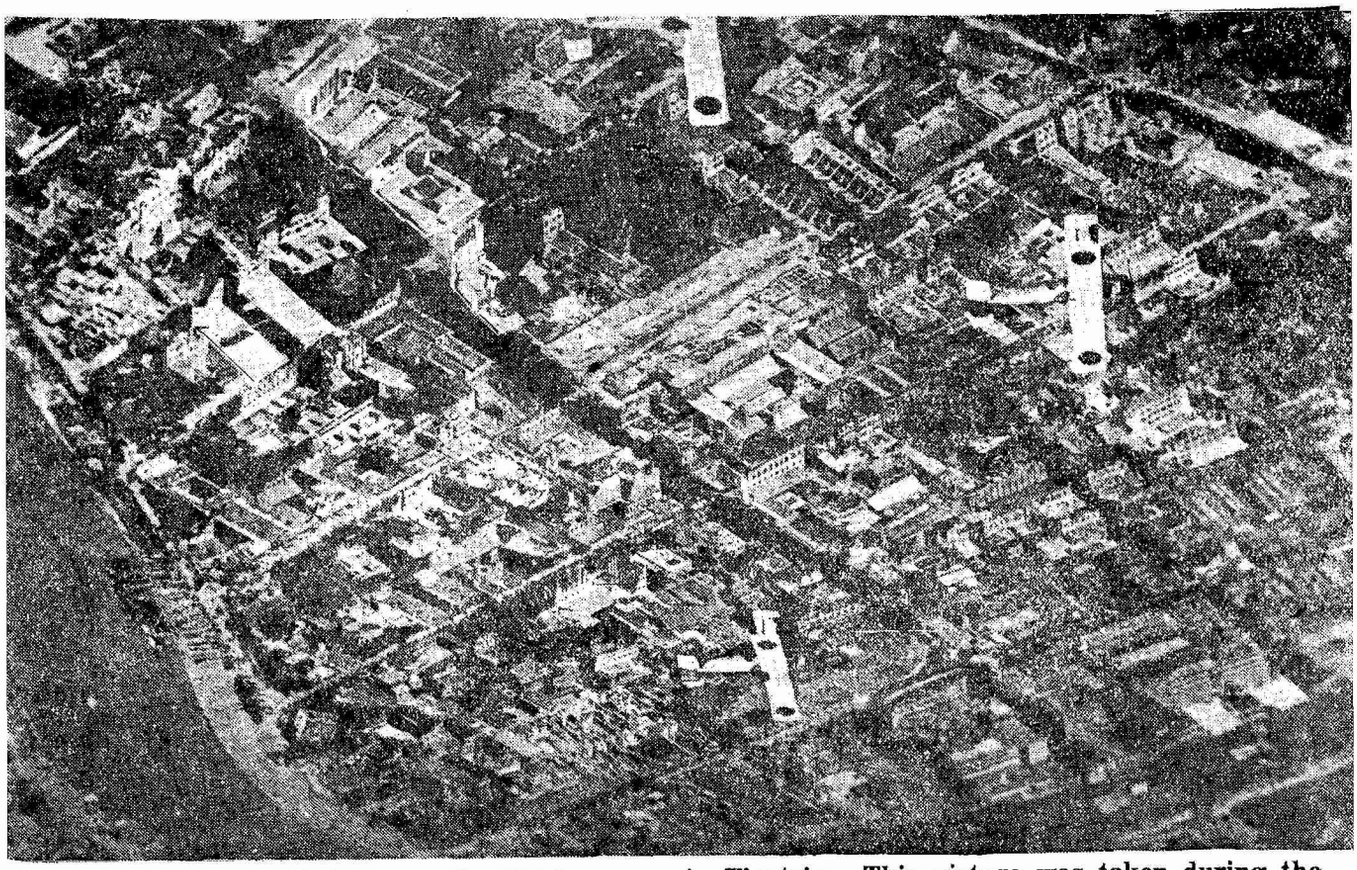
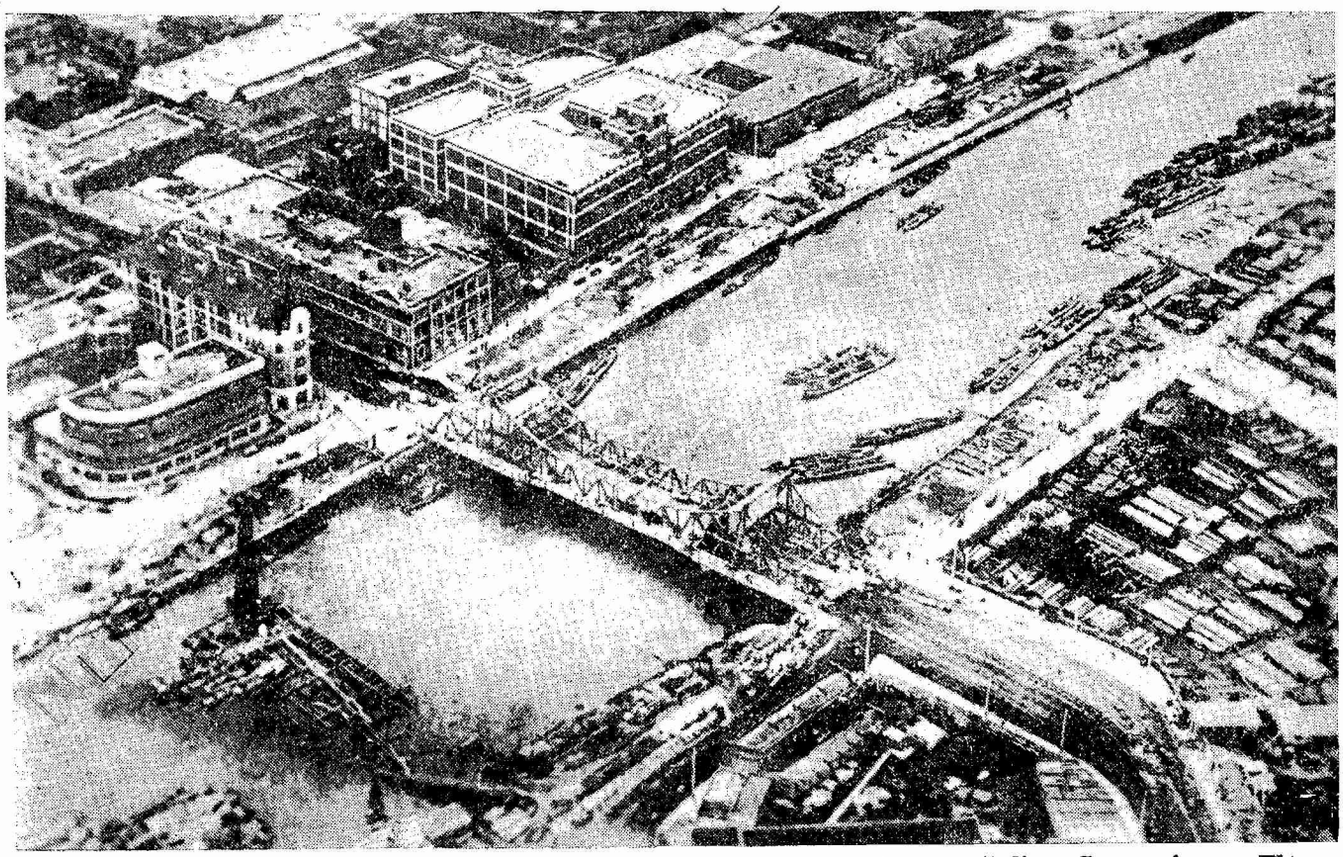
TIENTSIN (天津 "HEAVEN'S FORD")



Japanese airplanes flying over the Chinese area in Tientsin. This picture was taken during the disturbances a year ago.



Tientsin's famous International bridge which connects the French and Italian Concessions. The road crossing this bridge leads to the chief railway station and in times of trouble is always congested with refugees.

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For information as to rates, schedules, accommodations, etc. apply to any Tourist Bureau, or communicate directly with the Superintendent of Transportation.

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Owing to the Japanese occupation of Manchuria, tickets are only sold to Shanhaikwan where the Peping-Liaoning Railway crosses the Great Wall. The Chinese Government Railways assume no responsibility for transportation or safety of passengers beyond Shanhaikwan.

Peping-Liaoning Railway

Head Office

TIENTSIN

An Advertisement of the Chinese Government Railways

No. 2

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tance tax, the luxury tax, etc. which are prevailing in most civilized countries, are still not yet in force in China. Customs duties which have recently been increased, due to a higher tariff. are very low in comparison with that of other countries. China's revenues will be increased many fold when a practical plan of taxation and tariff is worked out and enforced. If the governmnt received all the money it should from taxation, and if it could at the same time lighten the tremendous incubus of its military commitments, its financial status would be more sound. Military expenditures still eat up the major portion of the national revenues, and now efforts are being made to develop and exploit the nation's financial resources, so as to bring about more efficient financing of the municipal and provincial governments, unifying the financial system throughout the country and devising ways and means for the stabilization of the government finances in general.

Steps are being taken for restoring the lost sources of the government finances. A retrenchment policy in connection with military, political and extravagant Kuomintang Party expenses should be adopted and maintained. During the exceedingly trying period of the Sino-Japanese hostilities in Shanghai, the government braved the storm without encountering a complete financial collapse. The military expenses then totalled $10,000,000 per month and political and party expenses were only 30% of the normal appropriations. The record represents an achievement both rare in Chinese history and exemplary for the future administration. Based on this precedent, reduction of the total of military and party expenses of the government should be maintained at around $14,000,000 per month.

Domestic Bonds Show Attractive Yield

The amount of national revenues from various sources has increased by leaps and bounds during the two decades. The gross revenue from customs collections, including import and export, in 1912 was $66,400,000, and this year the amount reaches around $300,000,000 excluding Manchurian ports which collect about $40,000,000. The progress of the salt revenue has been excellent since 1912. The report given by Mr. Soong shows that in 1913 the total receipt from this source was around $19,000,000, and in 1932 the estimated total will be about $150,000,000 excluding the Manchurian ports. Against this huge receipt of national revenues the National Government during the past six years has issued about $1,000,000,000 worth of domestic bonds, a part of which has been redeemed while a greater portion of the nation's credit has yet to be redeemed in the next ten or more years. Chinese gold bonds quoted abroad attract the attention of foreign investors, while domestic bonds are being quoted from 50 to 60% of their face value. At the current price the domestic bonds yield from 15 to 20% per annum.

On the surface, it seems there is nothing to worry about as regards the redemption of the domestic bonds if all of the national revenues go to the coffers of the Central Government and the Finance Minister strictly maintains the national credit. It is estimated the total amount of domestic bonds outstanding now is around $800,000,000. Out of this total, Chinese banks, a majority of them located in Shanghai, at present hold securities to the amount of about one-third, while the remaining two-thirds are held by Chinese and foreign investing public. When the Kuomintang got into power a few years ago, it denounced borrowing from abroad. So far so good. The government began borrowing at home. In order to induce the overseas Chinese and ordinary investors at home to invest their money in China, the Government offered an exceptionally high rate of interest on domestic bonds. The people become enthusiastic in regard to this new financial policy. Many Chinese believed at that time it would free China from foreign financial control. They bought the domestic bonds, party due to a patriotic "urge" and partly for economic reasons. In the past years when investors bought the bonds they did not take the trouble to scrutinize what might happen in the future so long as the present conditions seemed favorable.

Up to January this year the government had to pay about $15,000,000 a month for amortization payments of domestic bonds, and since the Sino-Japanese hostilities in Shanghai by an agreement with the bondholders threatened moratorium and collapse of Government finances were averted through a prompt reorganization of domestic, bonds, thus saving the Government $100,000,000 a year. Since February all domestic bonds bearing from 8 to 9.6 per cent a year were reduced to flat 6%, and the amortization payments extended considerably. A sum of $8,500,000 is set aside monthly from customs revenues for the

payment of domestic obligations. If China meets no foreign invasion, the national credit should be sound, in view of the fact that only a small sum is being set aside to pay the domestic obligations as compared with the huge revenue collected by the government.

Since the establishment of the National Government at Nanking, more than one billion dollars (face value) of domestic bonds have been issued. At the time when these bonds were issued, no thought was given to future consequences. The issuing of bonds was considered one thing and the piling of huge debts for our grandchildren to pay was another. Where and how the money that was obtained from those bonds went, was and still is a mystery to the general public. Nominally these bonds were subscribed at 98, but in reality a great percentage of them was sold at the China Mercants' Bond Exchange, Shanghai at a ridiculously low price. With interest added, the government has to pay from $5 to $7 for every dollar actually received from these bonds. All money thus received was mostly squandered aimlessly without having any constructive work done. We naturally assume a greater portion of the money was wasted in civil wars. For example, in 1930 the total amount of bonds issued was over $500,000,000, which was spent in many civil wars with north and south. The issuing of domestic bonds in past years has involved the government in a "vicious circle", that is, with more bonds issued, more interest and principal are to be paid, which necessitates the issuing of more bonds, etc., until a crisis is reached.

With national revenues increased year after year the domestic bonds are being sold at from 50% to 60% of their face value, which indicates that the general public's confidence in the Government's ability to pay its domestic obligations has been in doubt. The fear of foreign aggression is an important factor, and the inability of the government to reduce the huge expenditure for the army is another. Shall the Government embark on a course of fresh borrowing and repeat the tragedy of the past? Government officials and instelligent citizens should co-operate and try to prevent the issue of more bonds and instead try to maintain China's credit at home and abroad by adopting effective methods of rigid economy and financial reforms in the administration of government organs. Then China's bonds at home and abroad will form a safe and sound investment.

Shanghai, Jan. 24, 1932.

Chinese Ship Pirated Off Chekiang Coast

When the steamer *Tahua* belonging to the Ping An Steamship Company, returned to Shanghai end of last week it was learned that pirates had caused a loss of $22,000, of which $20,000 was represented by banknotes which were being carried by certain exchange shops from Shanghai to Tinghai, Shihpu and Haimen. The money had been taken from the Agricultural & Industrial Bank of China at 248 Honan Road by messengers of the exchange shops. The loss of the passengers was approximately $2,000. The cargo of sundries was not touched. No injuries were reported.

The *Tahua* sailed from the Nantao (Shanghai suburb) bound for Tinghai, Chusan Island, Shihpu and Haimen, along the Chekiang coast at 5 p.m. Jan 17. While the ship was just outside Woosung, and the compradore staff was collecting tickets from the passengers, the pirates, said to be 40 in number, made their presence known. After having indulged in systematic plunder, they celebrated their haul lavishly with feasts, songs, drinks, and opium-smoking in the best saloon on the ship. The gang landed in the early morning of the next day at Huanlungse Rocks, 30 miles from Tinghai.

Provincial Governor System to Be Re-established

In connection with the proposed reform of the provincial government system, the Political Committee of the Central Political Council has drafted measures for submission at the next meeting of the Council.

It will be recalled that the 3rd plenary session of the C.E.C. adopted in principle a proposal calling for the abolition of the Committee System of provincial government and the replacement thereof by provincial Governors. This proposal has been referred to the Council for the drafting of concrete and detailed measures.

According to the measures drafted by the Political Committee of the Council, the provincial governors are to be invested with control over both civil and military administration within their jurisdictions. Such governors shall, as a rule, however, be chosen from amongst civilians.

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Reflections on "The Day of Sorrow"

BY PAUL K. WHANG (王仲芳)

TODAY (January 28), is the first anniversary of "The Day of Sorrow," on which, last year, in the dead of the night, five hours and a half after the receipt of an assurance by General Wu Te-chen, the Mayor of the Municipality of Greater Shanghai, from the Japanese Consul-General that the Chinese unconditional acceptance of the Japanese demands was highly satisfactory, Japanese marines and plain-clothes men, without a declaration of war, invaded Chapei in their attempt of creating hegemony over the Yangtsze valley. For thirty-three days, the Shanghai International Settlement was no longer an "Island of Security"; the Hongkew section of the International Settlement, a base of Japanese operations, was turned into a No-Man's Land; the Woosung Fort was completely razed to the ground by Japanese bombers and naval guns; and Chapei, the industrial section of Shanghai, was reduced into shambles as a result of air-bombing, artillery fire and ensuing conflagration. As an expression of their deep grief, the various Chinese business associations have appropriately called January 28 "The Day of Sorrow," which will perpetually live in the memory of Chinese people.

Material losses resulting from the Japanese military invasion of the Shanghai district was figured at $1,477,837,208.23 in Chinese currency or approximately $370,000,000 in American gold currency, in accordance with the records in the office of the Chinese Municipality of Greater Shanghai. The material losses, no matter how startling they are, can yet be recovered and repaired, but the suffering and pain of those whose kith and kin were either killed during the war or murdered and massacred by Japanese soldiers and plain-clothes men can never be assuaged by the lapse of time.

The Nineteenth Route Army

Place of honor and praise must be given to the 19th Route Army, which, in spite of their poor equipment and in face of the combined attacks of Japanese land, naval and aerial forces, stubbornly repulsed and resisted Japanese attacks and successfully managed to hold their position for more than one month. Big guns and airplanes could not scare them away, because every one of them dedicated his life to the cause of defending China's territory. Their valor and courage deserve our praise and respect, and their brave deeds will be sung by the people of the coming generations. Their withdrawal to the second line of defense was necessitated by their lack of reinforcements and supply which, it must be regretfully said, were not forthcoming in time due to poor transportation facilities and also to jealousy on the part of certain military leaders.

On the occasion of the first return of this fateful day, it is appropriate, though painful, for us to pause for a moment to reflect upon the tragic events of those hectic days, and at the same time to pay our homage to those brave warriors who shed their blood and sacrified their lives for their country. In Chapei, Kiangwan, and Woosung, the vestige of destruction has not yet been removed, and will continue to serve as a reminder of our tragedy for many years to come. What is the most tragic of all is those victims of war, who were rendered homeless and jobless, and who are now facing the wintry weather without shelter and food and await financial assistance in re-establishing themselves in the war-torn areas.

In the foreign administered areas, the conditions, on the surface, have now returned to normalcy, and the wheels of business have resumed their former pace. But beneath the veneer of this superficial peace and calmness, signs are not obscure indicating that Shanghai, as a commercial and industrial center, is yet far from having recovered from the catastrophe. Business is still at a low ebb, and many of the factories have not yet been reopened. It will take years, if not decades, to heal the wounds with which Shanghai was inflicted.

It is still a question of much debate whether it would have proved a serious handicap to the Japanese if the Chinese government could hold a large part of the Japanese forces in Shanghai. From the military standpoint, the liquidation of the Shanghai affair was of a dubious wisdom, because the Japanese could thereby concentrate all their available forces to deal with the Manchurian situation. Moreover, Japan has not been in a financial position to conduct two major military campaigns in two different regions simultaneously. According to those who have had a strong faith in the policy of resistance, it has been alleged that it would be to China's advantage, if the Chinese government could put up resistance on both fronts, so that the bomb swallowed by the Japanese militarists would explode long before they could realize either of their objectives.

The speedy evacuation of Japanese troops from Shanghai has been a topic of many conjectures, but the recent news alleging that England and France secretly consented not to interfere in the Manchurian situation at the time of the Japanese withdrawal from Shanghai is the most startling of all. The sympathetic attitude of British and French representatives toward the Japanese cause in the recent meetings at Geneva has lent much color to the authenticity of this news. After all, it must be recognized that there is no reason why birds of the same feather should not flock together.

No matter what will be the outcome of the present Sino-Japanese controversy, the Shanghai episode will go down in the Chinese history as the most glorious and inspiring page. The heroic defense put up by the 19th Route Army has had far reaching consequences which have reacted favorably upon China's domestic conditions as well as her foreign relations.

First of all, the noble example set by the 19th Route Army has served as an inspiration to other Chinese soldiers who were very much dejected and discouraged as a result of the continuous retreat in face of Japanese advance. The Chinese volunteers in Manchuria have followed their steps in putting up organized resistance against the Japanese, and the northern soldiers in the recent fighting at Shanhaikwan have emulated their bravery and courage in defending China's territory.

Secondly, the fiasco of Japanese military adventure in Shanghai has brought home to the Japanese militarists the fact that the conquest of China is not a feasible job. The forcible seizure of Manchuria without meeting any resistance had apparently so whetted the appetite of the Japanese militarists that they came to the presumption that the conquest of the whole of China was just as easy. The unexpected set-back met in Shanghai compelled them to retrace their steps and leave their continental policy temporarily in abeyance, thereby saving China's other river and sea ports from the similar fate of Shanghai.

Japanese Guns Aroused Dormant Chinese

Thirdly, the roaring of the Japanese guns in the neighborhood of Shanghai awakened the Chinese people in Shanghai and elsewhere from their dormant state and aroused their national consciousness. Never before was their patriotic feeling worked up to such a high pitch that the people of the whole country stood up as one man to resist the Japanese invasion. Without hesitation, they either volunteered their service to fight in the front, or contributed generously to the support of defenders. Donations to the 19th Route Army from the Chinese in China and abroad aggregate $10,680,372, G.$46,725 and £56. This magnificent display of patriotism has invariably suggested that the Chinese people have been at long last awakened from their slumber and that the love of their country is just as strong as it is in any other nation. Incidentally, from the Shanghai crisis, the Chinese people have learned that China's salvation lies in domestic peace and unity. This conviction has prompted them to the formation of the Anti-Civil-War movement, which, with the growth of public sentiment in favor of it, will become a great force in uniting the country.

And fourthly, the stubborn resistance put up by the Chinese soldiers in Shanghai attracted the world attention to the Far Eastern crisis, and also won the support of foreign people to China's cause. Sometimes, submission to force may arouse sympathy from the friendly Powers, but continuous submission in face of provocations will be only interpreted as cowardice. A nation which can not defend her own interests is not in a position to seek assistance from other countries. The heroism of Shanghai defenders has won praise from China's friends as well as her enemies, and has done much to elevate China's status among the family of nations.

The Shanghai outbreak has been long settled, but the national crisis is more acute than one year ago. We paid a great price in defending the mouth of the Yangtsze valley, and we must even make a far greater sacrifice in preserving our rights and maintaining our national existence. We can not commemorate the deeds of our dead heroes except to follow their spirit to consummate the task they left us unfinished.

Russia Suffers from Big Paper Shortage

The chronic shortage of paper afflicting Russia in recent years has taken on famine proportions with curious effects on life and literature. The whole publishing program of the country is conditioned by the paper scarcity, prior rights being given to essential text books, technical works and propaganda pamphlets. Less urgent printed matter—like novels, plays, poetry—must content itself with small editions. Even ordinary letter writing is hampered by the acute scarcity. A single sheet of letter paper and a single envelope may be bought in some post offices, generally only if a stamp is bought at the same time. Failure of new paper mills to carry out production plans and absolute cutting off of paper imports explain the difficult situation. The Balakhpa Paper Combine, built on the Volga as part of the Five Year Plan, was attacked in the press recently for its bad work. Its output is of low quality, far below program, as to quantity, and labor discipline is extremely low.

Soviets Stand Pat on Non-Aggression Pact Publicity

In connection with the comments in the Japanese press which followed publication by the Soviet Government of the exchanges between Moscow and Tokyo on the subject of the Soviet proposal for a non-aggression pact with Japan, *Tass*, (the Soviet News Agency) has established that the Soviet Government gave no promise to refrain from publishing either the text or contents of these exchanges. In this matter the Soviet Government was bound by no obligations whatsoever. The question of a non-aggression pact between the U.S.S.R. and Japan, it is pointed out in Moscow political circles, arose at the initiative of the Soviet Government. The Soviet Government had no intention of concealing from the public the U.S.S.R. negotiations on a proposal made by it publicly and discussed in the press of the whole world, including the press of Japan, during almost an entire year.

Soviet Russia to Open Northern Sea Route

A recent message from Moscow brings the news that a main administration of the Northern Sea Route has been formed under the Council of People's Commissaries. The administration has been charged with the task of definitely establishing the northern sea route from the White Sea to the Bering Straits and making it safe for navigation. All the meteorological and radio stations located along the coast and on the islands of the Arctic Ocean have been placed under its control. Professor Otto Schmidt, who was in charge of the famous *Sibiriakov* expedition, first to make the northeast passage from Europe to the Far East, has been appointed to head the new administration.

Soviet Russia Issues Drastic Grain Decree

A decree of the Soviet Government, signed by M. Stalin and M. Molotov, making provision for the compulsory delivery of grain to the state by collective and individual farms, was promulgated in Moscow, Jan. 20. The gist of the 17 clauses is that compulsory deliveries are required from all farms in the country and penalties are provided if the quotas are unfulfilled.

The first clause annuls the existing agreement system in respect of grain deliveries and establishes for the collective and individual farms a firm liability, equivalent to a tax, which requires grain deliveries to the state at state-fixed prices.

Fifty Submarines Said to Be at Vladivostock

The Sino-Russian newspaper *Kung Pao* at Harbin, in an article dealing with the defences of Vladivostock, Jan. 22, stated that there are now 50 submarines stationed at said port, and that all the approaches to the port are mined. The report also asserted that several tunnels near Pogranitchnaya on the Ussuri railway have been mined, and are being heavily guarded by troops.

Chinese in Philippines Raise Money to Buy Airplanes

A campaign for contributions towards a national salvation fund of G$500,000 has been launched among overseas Chinese in the Philippines, according to a cablegram received by the Central Overseas Affairs Committee. The contributions will be used for the purchase of airplanes.

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All applications and inquiries should be addressed to the Director at 1954 Avenue Haig, Shanghai.

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The Communist Movement in Japan

The ban on the publication of news concerning police activities against the Communist movement in Japan was lifted Jan. 19. The ban was put into effect on Oct. 30 last on which date 2,200 arrests were made, in the most sweeping Communist round-up ever conducted in the country, including all leaders of the movement apprehended in an important conference that day in Atami. In Tokyo, the Metropolitan Police Board made 687 arrests. During last year a total of 6,900 persons were arrested by the Metropolitan Police Board on suspicion of being involved in the radical movement. It is reported that Communists in Japan were convinced that war was inevitable following the outbreak of the Manchurian incident and the Party therefore prepared to take advantage of hostilities abroad to organize a revolution in Japan. A campaign to raise a huge fund for this purpose was inaugurated, the radicals stopping at nothing in their efforts to obtain money including armed robbery, forgery, blackmail, procuring of women and betrayal of the sons and daughters of wealthy families. Firearms and ammunition were secured and a military organization worked out in readiness for the proposed revolution. Agents were posted in important army and navy centers to work among officers and men of the defense services. In other words, an elaborate organization was perfected, superior and more powerful than any Communist organization in Japan in past years. Japan's first daylight bank robbery, the hold-up of the Omori branch of the Kawasaki-100th Bank, was part of the fund raising campaign, as well as the plot to raid the Chugoku Bank in Okayama, which was discovered by the police in time to prevent its being carried out. The propaganda bureau began its campaign among soldiers and sailors in May last year. After repeated secret conferences a magazine entitled *Friend of Soldiers* was published in August. Headquarters were established in the Japan Industrial Association Building in Tokyo to start work on research in arms and ammunition, the basis of possible discontent in the army and the petty complaints of soldiers and sailors.

Women agents were sent to the sea-shore and other resorts to scrape acquaintance with men in the defense services in order to influence them toward the Communist cause. Agents were sent to work in naval arsenals as the first step in organizing Communist arms and ammunition plant. Propaganda literature was distributed in barracks and naval stations and at the time of the military maneuvers in the Kwansai last November, the radicals launched a vigorous campaign for new members.

The central executive committee of the party was at the head of eight bureaus. One of the plots organized by the committee was an attempt to rescue some of the Communists arrested in the raid on the Second Japan Communist Party. Nine Koreans were assigned to this duty by Yoshimichi Iwata and elaborate preparations made. The motorcar carrying Manabu Sano, Mitamura and Nabeyama was attacked on the way from Ichigaya Prison to the Tokyo District Court in June but guards fought off the raiders and arrested them.

In point of view of education and social position, the Communists arrested last year broke all records. Of the 687 arrests made in Tokyo on October 30, 107 were women. Of those held, more than 200 are graduates of colleges or special schools and laborers and former laborers number only 57 in the entire group.

Death of Veteran Woman Missionary

Dr. Mary W. Miles, of the American Presbyterian Mission, died in Pasadena, California, Jan. 18 at the age of 79. Mrs. Miles was the founder of the Canton School for the Blind in 1889, and retired from active mission work in South China in 1930.

Miss Miles was known all over China for her work for the Chinese blind. She came to China in 1882, took up her work in South China soon after and remained in this country virtually the rest of her life. She prepared many books and other reading matter in braille for the use of the blind in China. In addition to founding and developing into a permanent institution the Canton School for the Blind, she was a trustee for the Canton Hospital for the Insane and also the Canton Hospital.

Why Wealthy Young Japanese Go "Red"

Officials of the Tokyo Metropolitan Police Board are of the opinion that the tendency of sons and daughters of prominent and wealthy parents to take up Communism is due to their comparatively weak bodies but active minds, which results in one-sided application to reading all kinds of literature on one hand and lack of physical exercise on the other. Another reason, officials declare, is that wealthy young men and women are particular objects of attention on the part of Communists who desire to raise funds for the cause.

Since the beginning of this year, several sons and daughters of well known Japanese have either been arrested or expelled from school for participation in the radical movements.

According to the *Nichi Nichi*, an official of the police board summed up the situation as follows: "When the radical movement first started in Japan, the people unfortunate, socially or financially and those of a perverted mentality rapidly took up Communism. In the past few years, however, the tendency has been reversed and many young men and wonen brought up in a normal comfortable environment have become involved in Communism.

"There are two reasons for this. Members of Communist groups do their best to secure recruits for the cause from among the wealthy classes in order to increase funds for the movement. They find a fertile field awaiting them, as rich young men and women very easily become sympathetic toward Communism and then actually involved in the movement.

"It has been noted that the young men and women who take up Communism are inclined to scrofula. They have keen minds, however, and passionately devote themselves to any cause which they take up. They then come across the doctrines of communism and they study them with great thoroughness and also are able to find many defects in existing society.

"As sons and daughters of wealthy families have been brought up under favorable conditions, their conception of the organization of society is very simple and they are never concerned with constructive efforts to improve society. Herein lies the danger, as they recklessly take up intricate problems and eventually find themselves involved in complicated matters.

"Upper class society in Japan is characterized either by extreme liberalism or extreme conservatism. Upper class families are either very strict or very lenient toward their children. The dangersous period from our point of view is the ages between 20 and 25 years, when young men and women are attending colleges and universities."

Japanese Army Starts New Campaign Against "Dangerous Thoughts"

A nation-wide movement to combat "dangerous thoughts" has been launched by the Japanese War Office, which has become alarmed over the spread of leftist tendencies among the younger generation as evidenced by the fact that the total number of arrests for polictical offenses during last year alone reached nearly 7,000.

For this object, National Defence Investigation Societies are to be established in every prefecture throughout Japan, whose object will be to instil the spirit of the nation in the hearts of the young men and women, direct their thoughts towards the right channels, and drill them in the general methods of national defence.

The societies will be presided over by prefectural governors and other leading personages of the provinces, while the members will be drawn from all classes of society, including students, reservists, police officers, members of Young Men's and Woman's Societies and those engaged in all professions.

Heavy Drop in China's Salt Revenue

The Nanking *Central Evening News* Jan. 21, stated that while the final figures of the last year's salt revenues are not yet available, it is estimated that due to the Manchurian question the Chinese Government's salt revenue last year suffered a loss of at least $20,000,000.

Last year during the months of January and February some Salt Administration staffs continued to collect the salt revenue in certain places in Manchuria but they were quickly compelled to abandon work entirely.

Tuan Chi-jui Visits Nanking and Shanghai

Marshal Tuan Chi-jui arrived in Nanking Jan. 22, and conferred with Generalissimo Chiang Kai-shek and other military leaders and political leaders. He later came on to Shanghai where he received an enthusiastic welcome.

Marshal Tuan Chi-jui

Marshal Tuan Chi-jui is the leader of the Anfu Clique and one-time dictator of the Peking government, and his visit has special significance because of recent hints that he might be "flirting" with the Japanese.

Though in his 69th year, with shining white beard and hair, the aged leader of the Anfu Clique seems to be in excellent health. He was carried in a sedan chair from the railway station at Pukow to the Cheng Pingsteam launch in which he crossed the river. Upon his arrival at the Hsiakwan wharf, at Nanking, he was greeted by General Chiang Kai-shek.

Tuan's arrival in the Capital was generally hailed in Chinese political circles as an event of great significance, especially in view of persistent rumors that the Japanese are planning to put Tuan at the head of another "independent state" in North China, in the event of their successful operations in the Peiping and Tientsin area against Chinese troops. His arrival in Nanking as the guest of General Chiang Kai-shek removes once and for all any such rumors.

Many of the highest military commanders in the Nanking Government were Tuan's students at the once famous Paoting Military Academy. They include such prominent figures as General Chiang Kai-shek; General Ho Ying-ching, War Minister; General Chu Pei-teh, Chief of General Staff; General Yang Chieh, commander-in-chief of Yangtsze ports; and hundreds of others, equally brilliant in their line.

Reported Attempted Assassination of Puppet Premier

It is reported that Cheng Hsiao-hsu, puppet Premier of the Manchukuo government, was seriously injured in the abdomen at the Changchun railway station on Jan. 12, when he was shot while on his way home after visiting General Muto, Commander of the Japanese Kwantung Garrison Headquarters. His chauffeur was killed instantaneously. The assassin, reported to be a member of the Korean Independence Party, has been arrested and detained at the Japanese Gendarmerie Headquarters at Changchun, the Manchukuo capital. It is reported that General Muto was also slightly injured. Hsi Hsia, the puppet Kirin governor, suspected by the Japanese as the instigator of the attempted assassination, has been relieved of his post, and placed under surveillance.

Manchukuo Will Send More Than 200 Students to Tokyo

Recent advices from Tokyo state that more than two hundred students from Manchuria will pursue their studies in Japan this year. The Japanese educational authorities are planning special entrance examinations at the request of the Manchukuo Educational Office, which is stated to have received enquiries from many young men regarding the possibility of completing their education in Japan.

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Sir John Simon and His Anti-Chinese Policy

BY C. K. WYE

The "Week-End Review" of London last week declared that far from being impressed by Sir John Simon's supple casuistry, the Japanese are laughing. On the other hand, the "Review" continued, the Chinese, in justified despair over western standards and respect for treaties, are becoming dangerously resentful.

SIR John Simon, by his recent speeches at Geneva has clearly demonstrated his anti-Chinese attitude. He has patted Japan on the back, thumbed his nose at the so-called small Powers, given lip-service to the League, twisted out of recognition Lord Lytton and his Commission's Report, and kicked China in the rear. And after having done all that, he had the temerity to assure the Chinese Delegates that it is Great Britain's policy to maintain a neutral and detached attitude.

Let us recall some of his previous utterances. They did not attract so much attention as his present speech does because of the difference in locality. The substance is the same—the desired effect is the same. And he did it with the same studied ignorance, gifted in a lawyer whose business is the defence of his client, but not an understanding of the merits of the case of his opponent.

As an example, let us quote his statement made in the House of Commons on November 25, 1931:

> "There is a railway called the South Manchuria Railway which runs down to Port Arthur and connects Port Arthur through the Manchurian city of Mukden, almost as far as Harbin. Though it is entirely within the boundaries of Manchuria, the railway belongs to Japan by treaty....The present difficulty did not begin by the troops of one country sailing across the sea and marching across the frontier of another country to invade it. It began because Japan, exercising undoubted treaty rights—this is not disputed by China—to have armed forces on either side of this railway as guards, declared, and as one can see with good reason, that the railway just north of Mukden was attacked and that it had been broken by Chinese troops."

This is a mis-representation of fact. In the first place, the Japanese troops maintained in the South Manchuria Railway Zone have valid treaty basis. Secondly, the Japanese troops, when advancing from their claimed treaty zone into Chinese territory, at once violated China's territorial sovereignty. There is no difference between this and the actual crossing of a national boundary. At any rate, what can Sir John say with reference to the additional troops Japan has since sent to Manchuria from Korea and Japan? Did they not cross the frontier? What has he got to say about the invasion of Shanghai?

Unfair and Unjust to China

If he has been unfair and unjust to China in November of 1931, he has certainly done much worse in December of 1932. Then, he had misrepresented facts. Now, in addition, he has gone out of his way to tear up the Lytton Report in order to salvage from it isolated passages for the purpose of giving Japan the semblance of justification. This sort of thing is not usually done by statesmen. And of all people, Sir John will be the last one to assume that his audience has not yet read the Report.

Criticisms from our Chinese side may be regarded as unjust. Therefore, let me quote what Robert Dell, the well-known correspondent of the *Manchester Guardian* has to say on this point: (December 8, 1932):

> "One of the most serious blemishes in Sir John Simon's speech was the way in which he gave quotations of the Lytton Report detached from their context or omitting important qualifications. He quoted from page 126 of the report the passage in which the Commission said that the issues involved in the conflict were extremely complicated, that it was not a case in which one country had declared war on another nor was it a simple case of the violation of one country by the armed forces of a neighboring country. But Sir John Simon did not add that on the next page of the report the Commission said:
>
> "It is a fact that without declaration of war a large area of what was indisputably the Chinese territory has been forcibly seized and occupied by the armed forces of Japan, and has in consequence of this operation been separated from and declared independent of the rest of China."

Again Sir John Simon said that the report pointed out that after the Washington Conference of 1922, when so striking an effort was made to start China on the road of international co-operation, a deterioration had taken place. The passage from page 18 of the report, however, which he quoted in support of this statement, said nothing of the kind. It said that China ought to have made more substantial progress in the ten years that had since elapsed had she continued to follow that road. Moreover, the Commission had previously said that in many things no doubt the Chinese Government had failed, but it had already accomplished much, and the situation in China was improving.

In the third place Sir John Simon, following Mr. Matsuoka, quoted the passage on page 127 of the report in which the Commissioners said "a mere restoration of the *status quo ante* would be no solution." Thus, he said, the Lytton Report gave us some guidance, although they might perhaps say that it was only negative guidance. But why did not Sir John Simon add that on page 128 of the report the Commissioners said:

> "'The maintenance and recognition of the present régime in Manchuria would be equally unsatisfactory.' Presumably he does not think that this statement gives the Assembly any guidance."

The loyalty of Japan to the League is very amazing, so amazing that Sir John thought desirable and necessary to recall it with "very great satisfaction."

Sir John Simon has let no occasion pass without assuring his audience that Great Britain stands for the Covenant.

Is the British assurance to be taken in the same light as Japanese loyalty?

In certain quarters, it is stated that the British assurance is something very different from Japanese loyalty, for at the bottom of the British heart, the League must be saved, the Covenant must be respected, the Kellogg-Briand Pact must be kept intact, and the Nine-Power Treaty must be respected. Sir John, being anxious to carry out this policy, is pursuing a tortuous road to achievement. Finding the front line of Japan immovable, he has shifted to the flank of friendly flattery. Knowing the ferocious character of the beast, he has tried not to rub up its fur the wrong way. China, not being a ferocious beast, has received no such considerate attention.

Let us hope that this is so, not only in the interest of Chinese territorial integrity but the life of the League of Nations.

The Folly of Direct Negotiations

Sir John Simon believes in direct negotiations between China and Japan for he will be too glad to wash his hands of the whole affair. Well he realizes that it must be a long way between his policy and that of Japan, however superficially similar that may seem, when he takes the interests of Great Britain, Europe, and the League into serious consideration. And another step in the direction of Japan may finally invite Chinese antagonism which he has not yet calculated in his bargain.

Failing direct negotiations, he wants, above all, conciliation. He wants to avoid a bite from either side. For him, however, conciliation means the giving in of one who is more susceptible to pressure. That China has begun to understand, and Sir John Simon if persisting in this policy will be eventually disappointed.

Conciliation pre-supposes a conciliatory attitude on both sides. Japan has stood obdurate. She will be more obdurate unless she is made to realize that the support she believes to be forthcoming from Great Britain and others is nothing more than a courteous formality for the sake of avoiding stroking Japan up the wrong way. The sooner this is made known the better; and if Sir John really has the interests of the League of Nations at heart, he is the one to make it known.

Geneva, Jan. 4, 1933.

Japanese Army Abolishes Class Distinctions

The one-year military conscription system, open to graduates of colleges and universities and secondary schools upon the payment of certain fees in lieu of the regular two-year service, will be abolished from December next and a new system of selecting prospective non-commissioned officer candidates will be adopted by the Japanese army.

The new system will be formally adopted by the issuance of an Imperial Decree towards the end of February or early in March.

The plan will do away with the present one-year conscription system which long had been attacked as a case of class discrimination due to the fact that those choosing this form of conscription service must have a certain educational standard and must pay a certain lump sum to the Army before being allowed to take advantage of this system.

The proposed scheme will do away with this so-called discrimination, and will mean the selection of able candidates for the privilege of becoming non-commissioned officers. The Army officials plan to give all the conscripts, special examinations three months after entry into the service. Those passing the test will be given special training to fit them for higher positions while those who fail in the above examination will be ordered to serve as regular soldiers for a term of one year and six months.

After three months, candidates for non-commissioned officers will be given another examination. Those passing the test this time will be allowed to proceed with their original plan of becoming non-commissioned officers. Those failing in the second test will lose their eligibility for the higher posts and will have to serve with the rank and file. Candidates passing these two examinations will become non-commissioned officers on completing their full term.

Tkachenko-China Finance Corp. Litigation Continues

Hearing of the bill of complaint in the case of G. P. Tkachenko against the China Finance Corporation arising out of the loan transactions of Tkachenko Brothers, the Russian cafe on Avenue Joffre owned by plaintiff, came up before Judge Milton D. Purdy in the U.S. Court for China Jan. 21.

In the bill of complaint it was alleged *inter alia* that the defendant corporation charged usurious interest, payable in advance, to plaintiff for loans which it made to him, that on August 28 last, plaintiff executed to the China Finance Corp. a series of negotiable promissory notes for a total of Tls. 41,858,20 in payment of balance on previous loans and for an additional loan, but has since learnt that the notes were drawn in favor of the Finance Banking Corporation, a British concern. Plaintfff claimed that he was not aware then that the notes were drawn in favor of the British company, but executed them to the defendant corporation in the belief that he was entering into another renewal of loan with the China Finance Corp. These charges were characterized a "tissue of lies" by defendants counsel and most of the allegations were struck out by Judge Purdy as being irrelevant on application of counsel.

On Jan. 20. the Finance Banking Corporation figured as plantiffs in an action in the Second Special District Court against Tkachenko Brothers Cafe for recovery of a sum allegedly lent to the cafe against security of its furnitures, fixtures and good-will. The case was adjourned the February 8.

"Japan Doesn't Care What America's Policy Is"

The Japanese government, according to a recent *United Press* telegram, is paying little attention to the report that Henry L. Stimson, Secretary of State, instructed all American Ambassadors and Ministers to explain to European governments the anti-Manchukuo recognition policy of America. Japan does not especially want America to extend its formal recognition to Manchukuo, an official spokesman of the Foreign Office declared and Japan does not care what policy is announced by the Washington government. The Japanese Foreign Office considers that Secretary Stimson's instructions were intended to conceal the failure of the so-called "Stimson Principle." The spokesman stated that world public opinion would not be changed by this "device" of Secretary Stimson.

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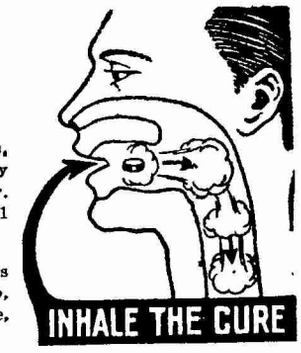


63-429

Men and Events

The next meeting of the Shanghai Ratepayers will be held March 27 and 28.

Colonel G. C. Roucaud, the new commandant of all the French military forces in China, arrived in Shanghai Jan. 21, on the French liner *Andre Lebon*.

W. E. Sauer, Erik Crone and H. F. Lewis have been appointed by the Shanghai Foreign Municipality to reassess land values in the Settlement during 1933.

The annual stockholders meeting of the Bakerite Company Fed. Inc., U.S.A. will be held at the Chocolate Shop, 107 Nanking Road, Shanghai at 4.30 p.m. February 1.

S. G. Sandlin, seaman of the U.S.S. *Asheville* died in Hongkong, during the night of Jan. 19, following a fall from a ricsha as a result of which his skull was fractured.

An advertisement in another column calls attention to the fact that the Chinese-American Shipping Co., Inc., is offering first-class accommodation from China ports to the West coast of America ports at U. S. $112.

The Huai River is completely frozen as a result of the recent cold wave during the week. The Grand Canal and virtually all other waterways in northern Kiangsu are also in the same condition with the result that navigation is impossible.

Three kidnappers were sentenced to death and three others to life imprisonment, by Judge Tsien in the First Special District Court, Shanghai Jan. 2, for the armed kidnapping of Loh Ching-pao, manager of the Ta Chong Company.

Li Yu-ying, Professor of Philosophy of the University of Peiping, and Chinese delegate to the International Organizations of Intellectual Co-operation, gave a lecture at the University of Geneva on Dec. 21, on the "National Civilization of China."

Fred Vincent, jr., American newspaperman at present in Shanghai, in an interview stated that he was mainly interested in studying economic and political trends of the people, these being the main things that shape opinion for a long time into the future.

Wang Yin-pei, a Shanghai provision dealer, was arrested in Yokohama last week on a charge of smuggling gold out of Japan contrary to present Japanese regulations. The gold was found by the Yokohama police in the double-bottomed bottom of a barrel containing salted pork.

Liu Yu-sheng, manager of the *Kiang Sheng Pao*, a daily newspaper published at Chinkiang, a port on the Yangtsze river, north-west of Shanghai, was executed Jan. 21, by order of the Chinkiang Martial Law Headquarters, ostensibly for propagating communist doctrines

The marriage took place of A. T. Steele, correspondent of the *New York Times*, in Manchuria and Miss Esther Francis Johnston of Boise, Idaho, at Yokohama, on Monday, January 10. Mr. and Mrs. Steele following the ceremony, immediately departed for Shanhaikuan, where Mr. Steele is stationed at present.

A special committee for the prevention of Communist activities has been organized at Taiyuanfu working together with the Taiyuan Pacification Headquarters and the Shansi Provincial Government. The committee is composed of 13 members, who are empowered to direct the police and gendarmes in instituting searches in factories and schools.

It is learnt that Li Kuo-chieh (Marquis Li), formerly general manager of the China Merchants Steam Navigation Co. who has been found guilty by the Shanghai District Court of corruption and of causing unlawful damage to the Company and sentenced to three years' imprisonment, has formally filed notice of appeal with the Kiangsu High Court at Soochow against the decision of the lower Court.

By a ministerial order issued at Nanking, Jan. 21, the Ministry of Judicial Administration promulgated a revision of Article 1 of the Regulations relating to Lawyers. The revision provides for more stringent requirements concerning qualifications for the Chinese Bar. Under the old regulations, any graduate from the law or political science department of a university could be admitted to the Bar, but the revised regulations provides that candidates for the bar must possess many other qualifications.

Prof. Verne Dyson, formerly of Shanghai and more recently on the teaching staff of the University of the Philippines at Manila, has been appointed a delegate from the Philippine Islands to the conference on Pacific Relations to be held in Banff, Canada, August next. Prof Dyson and family are proceeding to California in the meantime for a holiday.

Dr. Inazo Nitobe, prominent member of the Japanese house of peers, who has been touring the United States since April on a goodwill mission, arrived in Honolulu Jan. 17, for a two-week visit on his way back to Japan. Dr. Notobe is advisory editor to the English edition of the *Osaka Mainichi*, to which he has been contributing a series of "shorts" entitled "What I Am Learning in America."

Following the example of the Noulens, it is learnt that Chen Tu-hsui, Peng Shih-tzu and their fellow Communist accomplices, who are being held in the Detention House of the Kiangning District Court on charges of conspiring against the Republic, have gone on hunger strike as a protest against the alleged refusal on the part of the Court authorities to allow them to see members of their family.

It is reported from Canton that General Chiang Kwang-nan, formerly Commander of the 19th Route Army and at present Chairman of the Fukien Provincial Government, will be entrusted with the command of the proposed joint South-Western expeditionary force to assist in the resistance against Japanese Invasion in North China. The joint expeditionary force will be composed of units from the provinces of Kwangtung, Kwangsi and other South-Western provinces.

Members of the Chinese Ratepayers' Association in the Shanghai French Concession have presented a letter to the French Municipal Council which protests any proposed increase in charges for water and electricity. The letter asks the Council not to approve any increase requested by the French Water and Electricity Company. The rates in the Concession are already higher than in the Settlement, the letter states, and the ratepayers will refuse to pay an increase during the present trade depression.

Thus the *Japan Chronicle* of Jan. 20 under the caption of "Noodles":—"With the intention of stimulating the Japanese delegation at Geneva by feeding them on the best Japanese food, an Osaka chef is going to Geneva by way of Siberia in a few days' time. He is leaving in accordance with a telegram sent to Osaka a few days ago. Japanese must eat Japanese food in order to cultivate the Japanese spirit, thinks the manager of the Japanese Club at Geneva, who accordingly sent out his S.O.S."

The Downtown School of Commerce of the University of Shanghai will hold entrance examinations February 3. The spring term will be opened on February 10. Among the new teachers invited for next term are Dr. Robert Hwang, for Commercial Law; Dr. S. O. Kung and Jerome Liu, sub-managers of the Commercial Press, for Sales Administration; Dr. C. S. Li, editor of the *Chinese Bankers' Magazine*, for Finance; and Dr. V. W. Wu, of the Shanghai-Nanking Railway for Transportation.

U. G. Frondorf Elected President of Columbia Country Club

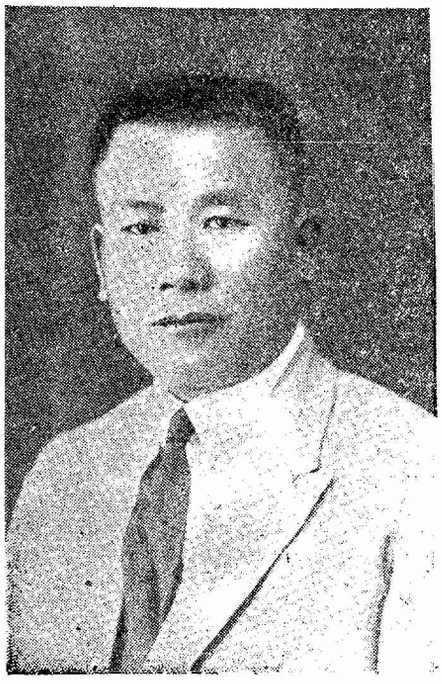
At the annual meeting of the members of the Columbia Country Club, held in Shanghai in the club rooms, Jan. 20 the following officers were elected:—U. G. Frondorf, president, O. D. Terrell, vice-president, C. D. Culbertson, hon. sec., and A. D. Calhoun, hon. treas. To the Board of Governors, the following were chosen:—Messrs. A. D. Calhoun, C. D. Culbertson, K. Fawcett, E. Hazzard, U. S. Harkson, M. A. Mitchell, E. Shuster, B. H. Watson, N. F. Xavier, A. F. Kimball, and W. C. Belknap; while on the ballotting committee the following will serve:—Messrs, Gardner Crane, T. B. Dunn, J. P. de Berry, F. F. Fairman. A. H. Guinness, A. P. Henningsen, J. J. Mokrejs, and E. Meyrink.

Japan Orders More Troops to Manchuria

Simultaneous with the customary calling up of the annual contingent of Japanese conscripts Jan. 20, announcement was made in Tokyo that the men who are allocated to divisions serving in Manchuria will mostly be sent direct to Manchuria instead of first receiving recruit training in Japan. Those whose time has expired in Manchuria must be retained with the colors. The recruits will probably combine garrison duty in the larger towns with their training, thus releasing the trained men for more active operations if required.

Who's Who in China

Wen Hung-en, Commissioner of Public Safety, Greater Shanghai Municipality; born at Wenchang district, Kwangtung, 1892; after his graduation from the Yunnan Military School, he has successively served as staff officer of the Headquarters of the Field-Commander of the Kwangtung Anti-Rebel Forces; second in command, 4th Battalion of the 2nd Regiment of the First Route Kwantung Army; vice-commander of the 3rd Regiment of 2nd Brigade of the Eastern Route Army with the rank of Colonel and concurrently Battalion Commander, 1922; Commander of the 2nd Regiment of the Provincial Guards of Kwangtung; Commander of the 50th Regiment of the 17th Division of the Nationalist Revolutionary Army; participated in the Nationalist Northern Punitive Expedition and after the capture of Nanchang, was conferred the rank of Lieutenant-General; was wounded during the battle of Nanking and following its occupation by the Nationalists, was promoted Commander of 17th Division, in which capacity, he fought his way through Kiangsu, Shantung and Hopei up to Machang in the latter province; upon reorganization of the 17th Division as the 16th Brigade following unification of the country, he became commander of the Brigade; Chief-of-staff to the 16th Division; Vice-Commander and Acting Commander of the 58th Division, 1929; was commissioned by the National Government to investigate military organization in Europe and obtained further training in several Army Corps in the French Army; returned to China in 1932 and was appointed counsellor to the Headquarters of the Army, Navy and Air force; shortly afterwards, was made member of the Military Advisory Council and concurrently research member of the School of Infantry Training; now, Commissioner of Public Safety, Shanghai; address: Bureau of Public Safety, City Government of Great Shanghai Municipality.



文鴻恩
Wen Hung-en

文鴻恩，廣東文昌縣人，年四十歲，雲南陸軍學校畢業，歷任廣東省討賊軍總指揮部參謀，旋調充粵軍第一路第二統領，第四營營附，民十一充東路討賊軍第二旅第三團中校團附兼營長，民十三任廣東省警衛軍第二團團長，民十四改爲國民革命軍第十七師第五十團仍充團長，後隨蔣總司令北伐克復南昌升少將團長，南京之役負務，克復南京後，升第十七師師長，嗣後轉戰江淮魯冀至天津之馬廠，南北統一，第十七師縮編爲第十六旅任旅長，嗣調充第十六師參謀長，十八年充陸軍第五十八師副師長兼代師長，旋奉國民政府派赴歐考察，在法國各兵團實習，二十一年回國充海陸空軍總司令部參議，旋充國民政府軍事參議院參議，陸軍步兵學校研究委員，現任上海市公安局局長職

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May 5, 1928	Vol. 44 No. 10

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ANAEMIA—THE GREAT SCOURGE

It is quite safe to say that by far the greater proportion of health troubles are traceable to anaemia—poor blood. One could almost say that

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In the degree that your blood is abundant, rich and pure, your body is nourished, your supplies of energy maintained, the condition of your nerves preserved, the normal functioning of your digestive organs ensured.

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This has been proved in so many countless cases over a period of fifty years that there is no doubt whatever that this old and tried remedy, removing both symptom and cause, is the ideal treatment.

For Anaemia	Nerve weakness	Insomnia
Pallor	Emaciation	Lost Appetite
Digestive troubles	Depression	Chlorosis in girls
Premature age	Back Pains	Aching limbs
Rheumatism	Sciatica	Women's ailment

And After Malaria And Other Debilitating Illnesses.

63-431

New Books of Interest in the Far East

An Excellent Pekingese Handbook

The Structural Principles of the Chinese Language, by Jos. Mullie, translated from the Flemish by A. Omer Versichel. The Bureau of Engraving and Printing, Peiping; sales agent, The French Book Store, Peiping. Mex.$12.—1932.

Although called a handbook for the study of the Northern Pekingese dialect, this translation of "Het Chineesch Taaleigen" is far more comprehensive than is ordinarily the case with handbooks. The original Flemish edition was designed for the use of Flemish and Dutch missionaries working in the province of Jêhol, much sought after by Japan at present. Heretofore the only handbooks of Chinese have been in either French or English, which made study difficult for westerners whose mother tongue was neither French or English.

The contention is made that the Southern Pekingese of Ho-chien-fu 河間府 and the Northern Pekingese of Jêhol 熱河 are different, there being differences in the tones of some words in the pronunciation of some sounds, that there are still further differences in the grammar itself. A distinct grammar difference is the absence of di 的, so often used in place of ch'u 去 in Ho-chien-fu. In a recent word-count of Peking dialect *di* was found to have been used far more than any other word.

A second reason for translating into English is in order to give Northern Pekingese a chance of becoming more used by giving a collection of texts from the spoken language and to state exactly the rules governing this dialect. Further, an endeavor has been made to state rules for different Chinese phrase-constructions hitherto unformulated.

In his prefatory remarks the author explains the difficulties which beset a Westerner attempting to find the written language for spoken sounds in Chinese. His explanation falls in line with the theory of relative frequency of language as set forth by Dr. Zipf of Harvard University, even though M. Mullie seems unaware of the principle.

In each Chinese dialect special phonetical laws are to be reckoned with, such as any phonetical connection between the present language and that of the Old Chinese (before the 6th century); relationships to neighboring dialects, new meanings attached to old words, and new words which have slipped into the language but not yet recorded in the dictionaries. A serious attempt is made to answer these questions in *Structural Principles.*

We are told that the Chinese language belongs to the Indosinic (not Indochinese to avoid confusion with Indochina) group of languages, of which there are two groups, the Western Group and the Eastern Group. The Chinese has four principal dialects, those of the region Wu, of the region Min, of the region Yueh, and to the north of the Yangtze and west of the regions Min, Wu, and Yüeh is spoken the Chinese Mandarin language.

There follows an excellent exposition on the development and his history of the Chinese language from olden times to the present, including the characteristics of the language, the chief characteristics being monosyllabic forms of the words and their isolation.

In the book proper we find two systems of romanisation: the English romanised system and the phonetic romanised system. Definite rules for pronunciation are stated, with most thorough examples, where the character, both romanisations and the English translation are given.

The arrangement of the book is one which impresses one who teaches or uses textbooks. It is logical, starts at the beginning and follows an orderly development according to sound and accepted educational principles.

Following the phonetics comes the list, with copious examples, of the radicals. Then a general outline of the radicals. Then a general outline of the grammar, with general statements as to what Chinese grammar does and does not contain, with examples. After the general outline come analytical parts, illustrated with texts,—substantive nouns, adjectives, numerals, pronouns. Presumably the second volume will contain analyses of the verbs, adverbs, pre-and post-positions and the conjunctions.

Whichever dialect the sinologue may have studied, M. Mullie's handbook will be of value, if for nothing other than his careful statements of the principles of grammar.

M. V.

The Spirit of Cathay

Festivals and Songs of Ancient China. By Marcel Granet. George Routledge and Sons, Ltd., London. 18s.

In the midst of many books on the Far East, most of them popular, a few of them significant, one welcomes the unusual,—a work which is both original and scholarly. This we have in Marcel Granet's study of the religious customs and beliefs of ancient China as found in the odes and songs of the early festivals. The author, professor at the School of Oriental Languages in Paris, made his study under the auspices of the Ministry of Public Instruction, and placed the Chinese text of the odes which he discussed and interpreted side by side with his French translation. In the English version of his work, however, which was translated by Dr. E. D. Edwards, the Chinese has been omitted, making it a less expensive book and probably less disconcerting to the general reader. The sinologue will no doubt possess himself of the French edition.

Granet has attempted to get back of the popular notions *about* Chinese customs, back of the fairly modern interpretations, to their origins. For so accurate a study he is satisfied neither with the method of the historian who contents himself with arranging the texts simply with the expedients of outside criticism, nor with that of the folklorist who depends on a Chinese informant or the opinions of a particular school of interpretation. To Granet, neither method is really critical. Therefore, though he has made a study of the interpretations of the early missionaries (who were often scholars) and other sinologues, he is not bound by them. In fact, he is very critical of the superficialities of such well-known authorities as de Groot and Grube.

His more scientific and critical method is two-fold: He studies the documents to determine their nature and to decide the precise value of the facts to be drawn therefrom; secondly, the facts being obtained, he refrains from seeking anything outside themselves by which they may be interpreted. Thus uninfluenced by the later attempts to make of the old songs and odes a *court poetry,* to render them symbolical and therefore a manual of ethics for prince and people, he works with the ancient songs to prove that they were ritual contests of the peasantry at the time of seasonal festivals.

These seasonal festivals took place in a hallowed region of rivers and mountains, thus most of the songs of the Shih Ching, which constitutes the basis for Granet's study, have rustic themes or are songs of the rivers and mountains. These festivals were the social breaks at spring and autumn season of long months of dreary and monotonous routine. They consisted of a variety of contests with a verbal accompaniment of rival extempore poems. An analysis of the emotions expressed in these poetic contests show how they were used to cement friendship between groups, how the antiphonal pantomime and accompanying song became a sort of communal betrothal, how it was all a part of traditional community ritual, and therefore how, even though many a betrothal was consummated by union along the rivers or in the mountain groves at the time of the festival, this too was with the group approval and not an occasion of unlicensed disorder, as some interpreters would have one believe.

The author follows the transition of these ancient odes from popular ritual to the ceremonial of official worship, sees them being made symbolical as a means of the vassal giving indirect but much-needed advice to an erring lord after feudalism was established. But makes it clear that this was not their origin. He proves his point that they were of rural improvization. His thesis is well illustrated by the love-songs themselves.

G. T. F.

The Way to National Unification

(Extracts from an article in "The People's Tribune")

This policy of the Japanese militarists and politicans may be likened to the act of a quack physician poisoning a patient and then scribbling a posthumous diagnosis, or to that of a murderer in strangling an innocent man and then doctoring evidence to whitewash himself at the expense of the murdered person's reputation.

But on our part, we have also to watch our own steps. We should not comfort ourselves with the favorable side of the Lytton Report and rest satisfied with the transitional turmoil of our nation. The Japanese libels on our national reputation are mere pretexts, and so we must strive to give Japan no opportunity for these pretexts in the future. Although our State is not unorganized we have yet a great deal to improve in the matter of our national political organization.

We must, for instance, feel ashamed of the conditions which have led to the recent armed clashes in Shantung and Szechuan. We ought to confess our own weaknesses. The so-called transitional period has been going on for twenty years already, nevertheless the state of disorder still exists as ever. To the Kuomintang members vested with administrative and political responsibilities more than to any other person or groups of persons, the various Japanese accusations, however groundless, should specially serve as a warning. If our present unprecedented national humiliation is incapable of awakening us from our slumbers, if our enemy's attack, ridicule, and contempt can not spur us on to progress and a united front, then we as a nation should deserve no place in the sun.

Birth Control---A Vital Problem for China

(Extracts from an editorial in "The China Press," Jan. 16)

Dr. Lamson's remarks on the urgent necessity of birth control for China call for serious consideration by every person with the welfare of the Chinese people at heart. There is no doubt about the grinding poverty of the mass of the people, and whatever other factors may be at play, over-population is unquestionably a main cause of this poverty. In even the best years in China there is barely enough food to go around, so far as the ordinary farmers and laborers are concerned, and when there is a shortage for any reason millions face actual starvation.

China's crowding millions, indeed, are one of the reasons for national weakness. The terrible struggle for existence compels the great mass of the people to think only of their bare subsistence from day to day. Millions crowded off the land migrate to the cities, and live in misery and squalor in the unspeakable hovels which are put up in such number wherever they are permitted to use vacant land in or near the city. To bring up these masses to a new national consciousness, to a higher conception of life, is a task of enormous dimensions, though it is a task which must be achieved if the aims of the Chinese Revolution are to be accomplished.

Research Library on Shanghai to Be Started by University

A research library on Shanghai is to be started by the University of Shanghai, according to the announcement of President H. C. E. Liu. The university plans to gather together material of all kinds dealing with Shanghai's economic, social, political, industrial, commercial, educational, and religious life, past and present. A special section in the university library is reserved for this project. A Bureau of Commmercial and Industrial Research has also been organized in the Downtown School of Commerce and a standing committee on research has been appointed in the university proper.

Opposition Grows to Renewal of Sino-Japanese Tariff Agreement

The government at Nanking has received a number of telegrams from commercial organizations throughout the country urging that the Sino-Japanese Tariff Agreement, which is due to expire on May 16 next, should not be renewed. It is pointed out in these telegrams that reciprocal tariff agreements can be based only upon the spirit of mutual friendship. With the Japanese steadily extending their military aggressions against China, it would be idle to talk of freindship. The telegrams urge, therefore, that when the agreement expires, China should refus to reenew it or to negotiate a new Treaty.

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In re. Last Will & Testament of CARSON W. COX, Deceased	Cause No. 3502 Special Proceedings No. 808 NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Crason W. Cox, deceased, to present the same with vouchers to the undersigned on or before July 15, 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China,
January 5, 1933.

Vercia Pitts Cox,
Luho, Ku.,
China.

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Cantonese Defy Nanking Authority on Invoice Issue

Under instruction from the Southwest Political Council, the Kwangtung Provincial Government issued an order Jan. 11 to all government offices under its control stating that imports appended with invoice of the Chinese Invoice Office at Hongkong will not be permitted to pass the customs.

The Southwest Political Council, the order says, declares the establishment of the Chinese Invoice Office at Hongkong by the Ministry of Finance to be illegal, because the regulations first proclaimed by the Executive Yuan deal with invoices issued only by Chinese consulate generals abroad to exports for China and have no provisions concerning the opening a Chinese Invoice Office.

"Considering that most of the goods shipped from Hongkong are from the interior of China," the order states, "it is unnecessary to secure an invoice when they are transhipped to Canton. Foreign goods which are already covered by an invoice issued by a Chinese consulate and which are shipped to China via Hongkong have no necessity to secure invoice at that colony.

"Since there is no provision for a Chinese Invoice Office at Hongkong, the invoice fee of five customs gold units levied by that office is an additional burden of merchants and the general public. All government offices under the provincial government are hereby notified that imports shall be admitted in the same manner as before November 1, 1932."

According to a Canton message in the *Sin Wan Pao* on Jan. 22, Sir Frederick Maze, who arrived there recently, after inspecting the various Customs stations in Canton, has decided to recommend the abolition of either the Custom at Samshui or that at Kiangmen. He has also taken up the matter of issuing consular invoices from Hongkong with the Canton Authorities, but failed to secure the consent of the latter in regard to his proposals. Mr. Maze returned to Hongkong on Jan. 21 en route to Shanghai.

Nanking Order Regarding Crude Oil Revoked by Canton

The Southwest Political Council to-day "ordered" the Superintendent of Customs to release all crude-oil products which had been detained because of the non-payment by importers of the new duty, which is nine times the former rate. The Council also ordered the abolition of the additional rate. Nanking recently placed an additional duty of 23.4 Customs gold units on crude-oil products besides the present rate of 2.9 Customs gold units.

Mackay Radio Agreement May By Cancelled

Negotiations are now in progress for the cancellation of the agreement reached with the Mackay Radio and Telegraph Company, according to Dr. Chu Chia-hwa, Minister of Communications, in a recent interview. Dr. Chu came to Shanghai to attend the meeting of the Board of Trustees of the British Boxer Indemnity Fund. The Mackay agreement, Dr. Chu said, has been considered by the national government as detrimental to the sovereign rights of China.

Arrangements made by the Ministry of Communications with the Marconi Company for radio communication between China and Great Britain, according to Dr. Chu, have been nearly completed and are expected to become effective this summer. Radio apparatus and equipment in this connection, Dr. Chu said, are being purchased from Great Britain with funds appropriated by the Board of Trustees of the British Boxer Indemnity Fund.

Dr. Chu also confirmed the report that the amalgamation of the Postal Remittances and Savings Bank with the Post Office, proposed by the postal employees in Shanghai, has been decided upon, but detailed plans under which this may be carried out are still in the hands of the special committee to study the postal economic system.

Overseas Chinese Ask for Educational Grant

A petition to set aside a sum of $500,000 yearly as an educational endowment fund for overseas youths will shortly be submitted to the Executive Yuan at Nanking by the Central Overseas affairs Committee. According to the Committee, it is suggested that the appropriation be made either from the National Treasury or the Boxer Indemnity Refunds. Part of this educational fund will be employed to subsidize schools for Chinese children abroad. Scholarships are also to be created for overseas youths in institutions in China and for needy overseas students.

Dollar Line Changes Trans-Pacific Schedule

The Dollar Steamship Line, announces a new Trans-Pacific schedule effective with the sailing of the s.s. *President Coolidge* from San Francisco January 27. Hereafter the two new turbo-electric liners *President Hoover* and *President Coolidge* will turn around at San Francisco and return to the Orient. Since their arrival in the Trans-Pacific trade route last year, the two huge new liners have become increasingly popular, officials of the company pointed out, and the new schedule permitting the *President Hoover* and *President Coolidge* to serve the Trans-Pacific ports entirely is an indication of the desire of the Dollar Company to give its Trans-Pacific patrons the best possible service.

REVISED EASTBOUND SCHEDULE VIA HONOLULU-SAN FRANCISCO

Steamer	Leave Shanghai	Arrive San Francisco
Hoover	Feb. 4	Feb. 21
Jackson	Feb. 18	Mar. 7
Coolidge	Mar. 4	Mar. 21
Grant	Mar. 18	Apr. 4
Hoover	Apr. 1	Apr. 18
McKinley	Apr. 15	May 2
Coolidge	Apr. 28	May 16
Lincoln	May 13	May 30
Hoover	May 27	June 13
Wilson	June 10	June 27
Coolidge	June 24	July 11
Jackson	July 8	July 25
Hoover	July 22	Aug. 8
Grant	Aug. 5	Aug. 22
Coolidge	Aug. 19	Sep. 5
McKinley	Sep. 2	Sep. 19
Hoover	Sep. 16	Oct. 3
Lincoln	Sep. 30	Oct. 17
Coolidge	Oct. 14	Oct. 31
Wilson	Oct. 28	Nov. 14
Hoover	Nov. 11	Nov. 28
Jackson	Nov. 25	Dec. 12
Coolidge	Dec. 9	Dec. 26
Grant	Dec. 23	Jan. 9

Kuomintang C. E. C. Adopts New Press Censorship Regulations

After several years of persistent agitation on the part of the Chinese press in regard to press censorship, which in the past has caused endless inconveniences to the press, the Central Executive Committee of the Kuomintang has finally adopted a set of regulations concerning press censorship, the gist of which is given below. Five press censorship bureaus will be established at Nanking, Shanghai, Peiping, Tientsin and Hankow.

(1) The press now knows definitely what type of news may be published and what may not be published.

(2) The censors will be competent representatives of the highest local political, military and Kuomintang offices.

(3) The Press will be represented on the censorship bureau.

(4) Any disciplinary measures will be taken under press Laws promulgated by the National Government.

(5) The press censorship work is unified, as the general policy will be laid down hy the Central Government, and no serious interference is expected from local authorities.

Perhaps the most important of all is the provision that the local press may be represented on the censorship bureau. This is something which has never been done before.

The Government takes the attitude that only news affecting military affairs, foreign policy and local peace and order, should be considered by the censors.

In regard to news concerning other matters, the Press Law can take care of them.

Military news which is tabooed by the Government has to do with secret military plans, movements and disposition of troops, transportation of ammunition, inaccurate or groundless military news.

The Government also desires non-publication of news concerning foreign affairs which are not announced by the Government or which may prejudice the progress of diplomatic negotiations.

Shanghai Chinese Municipality Opposes Collection of Business Tax

Decision to postpone the collection of the business tax has been reached by the Municipality of Greater Sbanghai, according to a statement in the Chinese press is credited to O. K. Yui, secretary general of the Greater Municipality. The decision not to enforce the tax law for the present is understood to be due to the present bad condition of the market.

Latest New York Stock Exchange Quotations

Market—Steady — Business Done 660,000 Shares

Jan. 21, 1933

1932-3 High	1932-3 Low	Div.$ per Sh.	STOCKS	Mon. Jan. 21	Tues. Jan. 23
9⅛	1⅝	—	Adams Express	4¾	4⅝
88¼	42½	*6.00	Allied Chemical & Dye	86½	85¾
15⅝	4	—	Allis Chalmers	8	7⅞
73⅞	29⅝	*4.00	American Can	60⅛	61¾
15	2	—	American & Foreign Power	6½	6⅞
38⅓	5	—	American & Foreign Power 7% Pfd.	11	11
10	1⅛	—	American Metal Co.	Unq.	Unq.
27¼	5⅛	—	American & Foreign Power Warr.	5	Unq.
137⅝	70¼	9.00	American Smelting	13⅜	14⅜
89¾	44	*5.00	American Telephone & Telegraph	105	104⅝
34⅛	11	2.00	American Tobacco "B"	64⅛	64¼
19⅝	3	—	American Waterworks	16½	16⅞
151¾	28¾	*4.00	Anaconda Copper	7⅝	7⅞
215⅞	3⅜	—	Auburn Automobiles	47½	47½
29⅝	7¼	—	Baltimore & Ohio	10	9⅜
43⅛	20	*2.00	Bethlehem Steel	15¼	15
14¼	3⅜	—	Borden Company	23¼	22⅜
20⅝	7¼	—	Borg Warner	8⅝	8½
65¾	16¾	—	Canadian Pacific Railway	13¼	12⅝
47⅞	19	2.00	Case, J. I.	45⅞	46⅛
20¾	4⅞	2.00	Chase Bank	34½	34¼
21¾	5	1.00	Chesapeake Corp.	16⅜	15⅞
21	4¼	1.00	Chrysler	14	14
5⅛	1⅝	—	Columbia Gas & Electric	16¼	16⅛
1	1/16	—	Commonwealth & Southern	2½	2⅝
68¾	31½	4.00	" " Warr.	⅝	⅝
9⅝	3⅜	—	Consolidated Gas of N. Y.	59⅛	69
55⅝	24¾	*3.00	Continental Oil	Unq.	5¾
7⅝	1½	—	Corn Products	54⅛	54¾
3¼	⅞	—	Coty Inc.	4⅛	4
18⅝	5	.75	Curtiss Wright Company	12	2
57	28	4.00	Douglas Aircraft	Unq.	12⅛
59¾	22	2.00	Drug Incorporated	35⅞	35⅛
87⅞	39¼	3.00	Du Pont de Nemours	40	39¾
48	5	6%S	Eastman Kodak	59¾	58¾
16	2¾	—	Electric Bond & Share	18¾	18¾
5⅞	1	—	Electric Power & Light	6⅝	6⅛
26⅛	8½	.40	Fox Film "A"	1⅞	1⅞
40⅛	19⅝	2.00	General Electric	14⅞	14⅝
24⅝	7⅝	1.00	General Foods	24⅛	24⅛
56⅞	6⅞	1.00	General Motors	14	14
24¼	10⅜	1.00	General Railway Signal	Unq.	16½
20⅜	8¼	1.60	Gillette Safety Razor	18⅜	18
29¾	5½	—	Gold Dust	15	14½
15¾	3⅝	—	Goodyear Tire & Rubber	16⅛	15⅞
1⅜	⅛	—	International Cement	Unq.	Unq.
84⅛	10⅞	1.20	International Com. Engine.	½	Unq.
12⅛	3½	—	International Harvester	21⅝	21¾
15¾	2⅝	—	International Nickel	8	8⅛
33⅜	10	—	International Telephone & Telegraph	7¼	7⅜
19¼	4⅞	—	Johns Manville	20⅛	20⅛
9⅛	1/32	—	Kennecott	9	9⅜
67⅛	32⅛	*4.00	Kreuger & Toll	⅛	⅛
87¾	13¾	*3.00	Liggett & Myers, "B"	62⅞	62¾
18⅜	9	1.20	Loew's: Inc.	17⅝	17½
11⅜	1½	—	Lorillard P. Co. (Com.)	13	12⅞
16½	3½	—	Ludlum Steel	Unq.	Unq.
64½	23¾	2.00	Montgomery Ward	13⅞	13¾
10¼	2½	—	National City Bank (bid price)	43¾	43½
36⅝	8¾	—	New York Central	18⅞	18¼
43¾	13¾	10%	North American Company	29	28¾
37	16⅞	2.00	Pacific Gas & Electric	29⅝	29½
6¼	1½	—	Packard Motors	2⅛	2⅝
11⅞	1½	—	Paramount—Publix	1¾	1¾
20⅜	5½	—	Pennsylvania Railroad	18¼	18
4⅜	1	—	Pennroad Corporation	1½	1½
8⅜	2	—	Phillips Petroleum	5½	5½
60	28	3.20	Public Service of N. Jersey	54	53
12⅛	2½	—	Radio Corporation	5	4⅞
7⅝	1⅛	—	Radio-Keith Orpheum	2⅝	1⅞
40¼	26½	3.00	Reynolds Tobacco "B"	33½	33
87⅞	9⅞	—	Sears Roebuck	Unq.	19¼
8⅜	2⅛	—	Shell Union	5	4⅝
13¾	2⅜	—	Simmons Company	7½	7
12⅛	5¼	.40	Socony-Vacuum Corp.	7⅛	7
23⅜	15¾	2.00	Southern California Edison	26½	26½
24¼	7⅝	2.00	Standard Gas & Electric	14	13½
37⅞	19⅞	*1.00	Standard Oil of N. Jersey	30⅝	30⅝
18⅛	9¼	1.00	Texas Corporation	13	13
26¾	12	2.00	Texas Gulf Sulphur	24⅜	24
7⅛	2⅛	—	Trans America	5⅛	5¼
36⅝	15½	1.20	Union Carbide & Carbon	27¼	26⅝
94½	27⅝	6.00	Union Pacific Railway	75	74¾
34⅝	6½	—	United Aircraft & Trans.	26¾	26⅜
14	3½	.40	United Corporation	9¼	9
22	9¼	1.2	United Gas Improvement	20¼	20
10⅛	1¼	—	U. S. Rubber	4⅝	4⅝
52⅝	21¼	—	U. S. Steel	28⅝	28½
23⅜	5¼	—	Vanadium	12½	11⅝
4½	⅛	—	Warner Bros. Pictures	1¾	1½
43½	15⅝	—	Westinghouse E. & M.	30	29⅛
25⅝	22	2.40	Woolworth	32⅞	32
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Szechuan Province to be "Rehabilitated" Once More

With reference to the Szechuen, situation, a Hankow message states that Generals Liu Tsun-hou, Teng Shih-hou and Yang Sen, who remained neutral during the recent imbroglio, have jointly telegraphed to Generals Liu Hsiang, Liu Wen-hua and Tien Sung-jao, inviting the latter to attend a conference at Chengtu, provincial capital of Szechuan, for discussion of measures for the rehabilitation of the province.

The telegram expresses gratification at the fact that, in obedience to instructions from the Central Government, fighting has already ceased. It points out that with the cessation of fighting, it is now imperative to discuss and carry out measures of rehabilitation in order to prevent a recurrence of civil strife.

The message calls attention to the fact that the Japanese have occupied Shanhaikwan and are now menacing the whole of north China. All military men must therefore, unite together to resist the foreign invaders. Moreover, as the Communist menace is threatening Szechuan, it would be dangerous to allow the present state of unsettlement to continue unrectified.

Southern Hupeh Practically Cleared of Bandits

With the "Reds" under Kung Ho-chung fleeing to the Kiangsi border, southern Hupeh is practically cleared of bandits, a recent *Kuo Min* dispatch from Hankow stated. The peace preservation corps under General Chang Kang stationed at Yanghsin have been instructed to proceed westwards to Ichang to suppress the remnant outlaws under Ho Lung. The 1st and 3rd regiments of the peace preservation units passed through Hankow for Ichang on the 19th while the 2nd regiment left there two days later.

General Ho Cheng-chun, Director of the Hankow Pacification Headquarters, who is at Sian directing the campaign against the remnant "Reds" under Hsu Hsiang-chien along the Shensi-Szechuan border regions, was scheduled to leave the Shensi provincial capital for Nanking by airplane on Jan. 26 to submit a personal report to General Chiang Kai-shek, President of the Military Affairs Commission, on the progress of the operations. He will spend one week at the Capital and then return to Sian via Hankow.

Borah Continues Efforts to Cheapen American Dollar

A movement was started in the U. S. Congress Jan. 23 for the remonetization of silver on the William Jennings Bryan plan and for the cheapening of the American dollar as a means of improving the general economic situation. Senator Burton K. Wheeler from Montana, one of the leading silver states, announced he would offer a measure to remonetize silver on the 16-to-1 basis in order to spur Congress into action on the silver question.

At the same time Senator William E. Borah of Idaho, urged cheapening the dollar. "Our present policies are carrying the United States to an economic collapse," the Senator said.

Amendment to U.S. Constitution Changes Inaugural Date

A new amendment to the U.S. constitution which came into force Jan. 23 changes the date of future inaugurations of the President (after this year) from March 4 to Jan. 20, and also abolishes the "lame duck" sessons of Congress. Under the new system, no Congressman will continue to sit after he has boen defeated—as has been the custom since the foundation of the Republic.

Indian Rope Trick Declared a Myth

The Indian rope trick (the throwing up of a rope which becomes stiff in the air, enabling a boy to climb it) is a myth, according to Sir E. Denison Ross, famous Orientalist who exposed sleight-of-hand tricks, to the Magicians' Club in London. He maintained that the trick had never been performed.

"It is always somebody's cousin or friend who has seen it. The eye-witness himself is always absent. No one has ever come forward who has actually seen it. The thing is a tradition. After the story started people liked it so much they never dropped it. It is a popular rumor in the Indian villages. Hypnotism is out of the question."

"Lord Curzon," he remarked, "offered £75—a large sum to the ragged Indians who are alleged to perform the rope trick—to any man who would do the trick before him. Nobody came forward in the seven years of his viceroyalty."

Snowfall Interrupts Airmail Between Hankow and Shanghai

Air mail services between Hankow and Shanghai during last week were dislocated as a result of the heavy snowfall which was followed by almost blinding fog and low atmospheric pressure along the middle stretch of the Yangtsze River. West-bound planes failed to arrive in Hankow from Shanghai on Jan. 17, and 18, and went only as far as Kiukiang. As for the east-bound service, the plane which took off for Shanghai on Jan. 17, had to turn back. The next day it reached Kiukiang but was forced to land. It finally arrived at Shanghai Jan. 19.

Increased Airmail Rates

The China National Aviation Corporation announced that air mail postage rates for letters will be increased as from February 1. An increase of ten cents will be charged by the Post Office for every 1,000, kilometers. Thus, the rate from Shanghai to Peiping, the distance between which is 1,300 kilometres, will be 25 cents instead of 15 cents. Newspapers and printed matter, however, will not be subject to this increase. The new rates will apply to both the Shanghai-Peiping and Shanghai-Hankow airways.

The National City Bank of New York, Rates of Exchange

Shanghai, Jan. 25, 1933.

Demand selling rate on America:	U.S. $100=Sh. $494.58
Demand buying rate on America:	U.S. $100=Sh. $482.28
Demand selling rate on London:	£1.0.0=Sh. $ 16.67
Demand buying rate on London:	£1.0.0=Sh. $ 16.37

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